

Annual Report & Financial Statements

BNY Mellon Investment Funds

All Sub-Funds Report

30 June 2015

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Report of the Authorised Corporate Director

This is the annual report for BNY Mellon Investment Funds ('the Company') for the 12-month period to 30 June 2015.

Over the 12 months to the end of June 2015, investors were assailed by all manner of concerns deriving from the Russian/Ukrainian conflict, the outbreak of the Ebola virus disease, the seemingly unstoppable rise of the Islamic State in the Middle East and the twists and turns of the debt crisis in Greece. China's recent precipitous stock-market falls have also served to unnerve investors, prompting questions about the health of the world's second largest economy.

The actions of the US Federal Reserve (FED) have been under constant scrutiny, which heightened with the end of the quantitative easing (QE) programme intended to create new money for use in the economy. The much-anticipated raising of interest rates in the US – a source of market uncertainty in its own – is still widely expected to occur later in 2015. This would be an undoubtedly monumental step in the gradual recovery of not only the US but also the broader global economy.

The portents for China have been there for some while. Confidence was punctured to an extent by the release of annual GDP growth figures, showing China's economy grew by 7.4% in 2014, the slowest rate in 24 years. An unprecedented domestic stock market rally that began in November 2014 appeared set to come to a crashing halt in June, causing the Chinese government to scramble to prop up the market and resulting in heightened caution across – and towards – the broader Asia-Pacific region. Although the Japanese economy contracted at the end of 2014, its economy showed strong signs of recovery moving into 2015, underpinned by the stimulatory policies promoted by the Japanese premier and the Bank of Japan.

Investors were kept on the edge of their seats by the drama surrounding Greece's huge debt problems and the possibility of the country's exit from the eurozone. A dramatic first half of 2015 saw Greece grapple with a new government (not shy of a measure of bluff and bluster in its confrontation with the EU) and the requirement to repay creditors by the end of June – an already extended deadline. A question mark hangs over the country's continued eurozone membership, with creditors and other European states urging Greece to pledge significant reforms in return for further economic support. After an unsurprisingly volatile 12 months, the euro in fact ended the period up against the US dollar, as sentiment seemed to build towards the long-term survival of the currency union with or without Greece.

In fixed-income markets (debt issued by governments and companies), the 12-month period began with a focus on lower risk/lower yield debt – assets which were deemed 'safe havens' in the face of uncertainty. At the turn of 2015, however, sentiment appeared to shift in a more risk-taking direction, with an increased demand for high-yield corporate debt generally prevailing.

Against this backdrop, the vast majority of the funds held in the portfolio enjoyed a positive 12-month period, with The Boston Company's US Opportunities Fund a notable highlight.

Looking ahead, there is the question of when (or indeed if in the near terms) markets will lose the comforting reassurance of policy support from the authorities and what the reaction might be. While the US has concluded its asset-purchasing programme, it has yet to make the first step in normalising interest-rate policy, leaving investors very much on tenterhooks. Faced with such an environment, financial markets may undergo fluctuations that will create investment opportunities. Our asset managers are well placed to take advantage of such opportunities as and when they arise.

David Turnbull

Director
For and on behalf of
BNY Mellon Fund Managers Limited
Authorised Corporate Director

17 September 2015

Market Background

Economic and Market Overview

Introduction

The 12 months ending June 2015 continued to be heavily dominated by the policies of central banks, in particular, the question as to when the FED might raise US interest rates. The period was also overshadowed by geopolitical risks including the spread of Ebola virus disease, the fighting in Ukraine and the advance of the Islamic State in the Middle East. In 2015, market concerns centred round Greece and doubts over the country's continued membership of the eurozone.

The FED's announcement in October detailing the end of its QE programme (creating new money for use in the economy) was a major turning point. Global speculation soon turned to expectations of an increase in the US interest rate, the anticipation of which continues to dominate global markets.

There were concerns over the broader picture of diminishing economic health in China, brought into sharp relief when the market took a tumble in mid-June.

Global fixed income markets fluctuated through most of the period, although overall appetite for risk appeared to increase in 2015.

Against this backdrop, global equity markets rose over the period, with the FTSE All-World Index gaining 10.24% in sterling terms.

North America

After single-digit growth in the second half of 2014, disappointing GDP figures (a key indicator of economic growth) in the first three months of 2015 were blamed on severe winter weather. A meeting of the US Federal Reserve Board in June left interest rates unchanged. Although annual US growth expectations were also reduced at the meeting, industry watchers and signals from the FED continue to suggest overall economic health and the expectation for interest rates to rise later in 2015.

The US economy strengthened overall, with unemployment reaching new lows and the equity market continuing to grow.

Against this overall positive growth backdrop, the FTSE All-World North America Index (which includes Canada) returned 15.05% over the period.

Europe

To combat sluggish growth, the European Central Bank (ECB) announced a major QE initiative at the beginning of 2015. With effect from March 2015, the ECB is injecting €60bn into the European economy each month which is expected to continue until at least September 2016.

Just prior to the ECB announcement, the Swiss National Bank announced plans to 'unpeg' the Swiss franc from the euro – effectively ending the fixed exchange rate regime in place since 2011. The move, which was enacted to avoid the heavy cost of maintaining the peg in the face of QE, largely caught investors by surprise.

Concerns steadily mounted regarding Greece's ability to repay its debt. Matters came to a head late in June, when eurozone finance ministers refused to approve a further bail-out to assist Greece in repaying the IMF, a major creditor, without the promise of significant domestic reforms. The future of Greece's membership in the eurozone, the stability of the single currency and broader market contagion effects were all still under question at the end of June.

The UK economy was relatively healthy in contrast to much of Europe. The economy continued to grow, with unemployment declining. However, concerns regarding the continued membership of the EU increased following the May general election; the victorious Conservative Party promised a referendum on membership in 2016 or 2017.

Elsewhere, Russia continued to feel the effects of a depressed economy, following 2014's oil-price crash, as well as sanctions imposed on the country as a result of its activities in Ukraine. As such, its economy contracted 1.9% in the first three months, the first quarterly decline in growth since 2009.

The FTSE All-World Europe ex UK Index was up slightly at 0.44% for the period.

Asia

China's economy and markets governed sentiment in Asia throughout the period. Concerns over the country's slowing output were reinforced at the end of 2014 when GDP growth for the year was reported at 7.4% – the slowest rate in 24 years. In efforts to stimulate growth, the People's Bank of China cut the benchmark interest rate four times. The stock market sell-off that began in June 2015 only added to government worries. Investors were unnerved, with increasing concerns over the rising level of government intervention.

Several other Asian countries also sought to stimulate growth, with Australia, South Korea and India cutting interest rates in attempts to boost growth.

Japan technically entered a period of economic contraction in the final three months of 2014. Following a snap election in December, Prime Minister Shinzo Abe enacted a series of stimulatory measures.

Against this backdrop, the FTSE All-World Asia Pacific ex Japan Index rose 0.83% over the period. The Japanese market returned 19.03%.

Market Background (continued)

Fixed Income

Global government bonds were popular for much of the second half of 2014, with subdued global growth and geopolitical risks driving an increased interest in the broader fixed-income segment perceived as a 'safe haven'. The JP Morgan Global GBI Unhedged TR generated 0.61% in sterling terms.

The ECB's QE programme began in March and initially drove government debt yields down, although the effects of this began to wane by the end of the review period.

Overall risk appetite appeared to increase moving into 2015, with the previous preference for investment-grade debt giving way to an increased demand for high-yield corporate debt. (Investment grade is debt issued by companies that is rated BBB and above by the credit rating agency Standard & Poor's. High yield is debt issued by companies that is rated below BBB by Standard & Poor's).

Currencies and commodities

Oil-price turbulence was the continued focus of commodity markets. A backdrop of excess supply saw prices continue to decline in 2014, with West Texas Intermediate crude oil falling to US\$60 per barrel by the end of the year. The rate of price decline steadied in the first three months of 2015, although still managed to hit a low of US\$50 per barrel in mid-January.

Gold also had a rollercoaster year in 2014, which continued into 2015. Highs reached in late January gave way to a fresh fall through to March, which was not helped by declining demand from India and China – the two largest global consumers.

Among other commodities, prices of iron ore continued to fall into 2015, driving renewed calls in the industry for enforced caps on production. Despite a market bounce in March, copper prices also suffered as a result of China's slowing growth (given that the country accounts for 40% of global demand).

The strengthening of the US dollar was a dominant theme, supported by anticipation for the FED's rate increase.

Unsurprisingly, the euro was under pressure throughout, increasingly so in 2015, amid concerns over Greece and the impact of the ECB's QE programme.

Sterling struggled against the dollar for most of the second half of 2014 and going into 2015, particularly given uncertainty in the lead-up to the general election. However, the currency gained over most major currencies in the latter three months of the period on strong industrial data.

The yen remained at low levels against the dollar at the start of 2015. Despite picking up in April, the yen continued to slide against major currencies for the rest of the period.

All performance data is from 1 July 2014 to 30 June 2015, total return in local currency terms unless otherwise indicated, sourced from Lipper Hindsight and Bloomberg.

BNY MELLON INVESTMENT FUNDS AGGREGATED FINANCIAL STATEMENTS

Financial Statements

Aggregated Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	3		739,143,322	769,154,726
Revenue	4	1,122,539,954	1,162,189,686	
Expenses	5	(312,184,652)	(320,237,103)	
Finance costs: Interest	7	(62,147)	(27,634)	
Net revenue before taxation		810,293,155	841,924,949	
Taxation	6	(60,863,267)	(58,783,122)	
Net revenue after taxation			749,429,888	783,141,827
Total return before distributions			1,488,573,210	1,552,296,553
Finance costs: Distributions	7		(959,392,461)	(998,409,373)
Change in net assets attributable to Shareholders from investment activities			529,180,749	553,887,180

Aggregated Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

		£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders			32,922,789,944	30,699,808,405
Net assets taken on:				
BNY Mellon Global Strategic Bond Fund			-	13,936,831
Newton Overseas Equity Fund			-	224,759,484
Amounts receivable on issue of shares		4,939,999,072	6,457,907,291	
Amounts payable on cancellation of shares		(7,053,472,252)	(5,488,997,462)	
			(2,113,473,180)	968,909,829
Amount payable to Shareholders at termination			(24,539)	(1,239)
Dilution adjustment			6,279,980	3,744,823
Stamp Duty Reserve Tax			(974)	(4,204,126)
Change in net assets attributable to Shareholders from investment activities (see above)			529,180,749	553,887,180
Retained distributions on accumulation shares			460,752,401	461,790,895
Unclaimed distributions			96,001	157,862
Closing net assets attributable to Shareholders			31,805,600,382	32,922,789,944

Financial Statements (continued)**Aggregated Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			30,187,614,658		31,488,806,549
Debtors	9	604,839,143		538,922,917	
Cash and bank balances	10	<u>1,757,895,160</u>		<u>1,499,407,679</u>	
Total other assets			<u>2,362,734,303</u>		<u>2,038,330,596</u>
Total assets			32,550,348,961		33,527,137,145
LIABILITIES					
Investment liabilities			(76,638,156)		(94,042,220)
Overdrawn cash and bank balances	10	(2,847,597)		(278,919)	
Creditors	11	(482,853,296)		(283,630,264)	
Distribution payable on income shares		<u>(182,409,530)</u>		<u>(226,395,798)</u>	
Total other liabilities			<u>(668,110,423)</u>		<u>(510,304,981)</u>
Total liabilities			(744,748,579)		(604,347,201)
Net assets attributable to Shareholders			<u>31,805,600,382</u>		<u>32,922,789,944</u>

*Gross of investment liabilities

Notes to the Aggregated Financial Statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association (now known as The Investment Association) in October 2010. Given that the Newton European Higher Income has conducted an orderly realisation of its investment portfolio, the ACD does not consider the going concern basis to be appropriate. The financial statements for this Sub-Fund have therefore been prepared on a break-up basis. In applying this basis, assets and liabilities continue to be stated at their fair value which materially equate to their residual values. All costs to the point of final termination have been provided for.

(b) Valuation of investments

The listed investments of the Sub-Funds have been valued at bid market prices net of any accrued interest, at close of business on 30 June 2015 in line with the last dealing valuations in the period. Holdings in Collective Investment Schemes are valued at the last sale price available at the valuation point. The valuations of unlisted investments are based on the ACD's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review.

Highest and Lowest prices shown in the Price and Revenue Record by Share Class tables of the Sub-Funds represent the 12pm MID price as released to market.

(c) Foreign exchange

All transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate at close of business on 30 June 2015.

(d) Revenue

Dividends on equities, non-equity investments excluding debt securities, and revenue from shares/units held in underlying Funds are recognised when the security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

Dividends on US REITs are streamed between capital and revenue components. Amounts recognised as revenue form part of the distribution. Amounts recognised as a return of capital are recognised in the capital of the funds and are not included as part of the distribution.

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

Premiums received in respect of written call options, where the express purpose is to generate extra revenue, are accrued to the revenue account on a straight line basis over the life of the contract.

Returns from bond futures are streamed into revenue and capital components. Amounts recognised as revenue from long positions form part of the distribution. Amounts recognised as revenue from short positions reduce the amounts available for distribution.

(e) Special dividends

Special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature.

(f) Stock lending

Some Sub-Funds have entered into stock lending transactions during the period. The Sub-Funds, or the Depositary on behalf of the Sub-Funds, receives collateral to cover against the risk of the future redelivery not being completed. There is no limit on the property of the Sub-Fund which may be the subject of stock lending transactions. Commissions received as a consequence of stock lending for the benefit of the Sub-Fund and its shareholders are accounted for within revenue net of associated costs.

(g) Expenses

All expenses are charged to the revenue property of the Sub-Funds, with the exception of the costs associated with the purchase and sale of investments, which have been charged to capital property.

(h) Rebates

Rebates on underlying funds' management fees are accounted for on an accruals basis and are subsequently attributed to the Sub-Funds' revenue or capital depending on the fee structure of the underlying funds

(i) Taxation

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 ACD 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 the results for the year. In general, the tax accounting treatment follows that of the principal amount. The charge for taxation is provided at 20% on taxable income for the year less expenses.

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the taxation reconciliations.

Notes to the Aggregated Financial Statements (continued)

1 Accounting policies (continued)

(j) SDRT

Stamp Duty Reserve Tax (SDRT), where payable, is charged to the capital property of each Sub-Fund. SDRT was abolished on 5 April 2014.

However non-pro rata in specie redemptions are still subject to the principal SDRT charge.

(k) Dilution adjustment

The ACD may make a discretionary dilution adjustment if in its opinion the existing Shareholders (for net purchases) or remaining Shareholders (for net redemptions) might otherwise be adversely affected. The ACD therefore reserves the right to impose a dilution adjustment in the following circumstances.

: where a Sub-Fund is in continual decline (is suffering a net outflow of investment);

: where the Sub-Fund is experiencing large levels of net subscriptions or net redemptions relative to its size;

: in any other circumstances where the ACD believes it will be in the interests of shareholders to make a dilution adjustment.

(l) Over the counter derivatives

Valuation:

The Sub-Funds may invest in over the counter (OTC) derivatives and the market value of these are based on calculation 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.

Premiums paid by the Sub-Funds:

Credit default swaps are used to manage credit risk and are used to protect capital, premiums paid by the Sub-Fund are taken to capital.

Interest rate swaps are used to manage interest rate risk and are used to manage market price risk. The interest received or paid is taken to capital.

Interest rate swap options or currency options are written or purchased to protect capital. All returns including the premium are taken to capital.

Exchange traded index options are written to enhance the revenue and yield of the Sub-Fund. As such the premiums received by the Sub-Funds are taken to income - Insight Equity Income Booster Fund only.

Any related expense will be charged to capital.

Refer to the individual Sub-Fund for further information.

2 Distribution policies

(a) Basis of distribution

All Sub-Funds, with the exception of Insight Corporate Bond, Insight Inflation Linked Corporate Bond, Insight Strategic Bond, Newton Global High Yield Bond, Newton Global Dynamic Bond, Newton Index Linked Gilt, Newton International Bond, Newton Long Corporate Bond and Newton Long Gilt Fund, are not more than 60% invested in qualifying investments (as defined by s468L ICTA 1998) and where applicable will pay a dividend distribution. Insight Corporate Bond, Insight Inflation Linked Corporate Bond, Insight Strategic Bond, Newton Global High Yield Bond, Newton Global Dynamic Bond, Newton Index Linked Gilt, Newton International Bond, Newton Long Corporate Bond and Newton Long Gilt Fund Funds invest in more than 60% of qualifying investments and will pay an interest distribution. For the purpose of calculating the distribution, interest on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements. The distribution is determined based on the individual Sub-Fund's net revenue after taxation.

(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) Special dividends

Amounts recognised as revenue will form part of the Sub-Fund's distribution.

(d) 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-Fund with the exception of the equalisation element, which is treated as capital.

(e) Expenses

The annual ACD fees are reimbursed by capital property for revenue distribution calculation purposes in the case of Insight Corporate Bond, Newton Asian Income, Newton Global High Yield Bond, Newton European Higher Income, Newton Global Dynamic Bond, Newton Multi-Asset Balanced, Newton UK Equity and Newton Real Return Funds. The annual ACD fees and other fees and expenses are reimbursed by capital property for revenue distribution calculation purposes in the case of Insight Equity Income and Insight Equity Income Booster, Newton Emerging Income, Newton Global Income, Newton Multi-Asset Income and Newton UK Income Funds.

(f) Unclaimed distributions

Any unclaimed distributions are repaid to the Sub-Funds after six years. Such amounts are treated as capital, and will not form part of the distribution.

Notes to the Aggregated Financial Statements (continued)

2 Distribution policies (continued)

(g) Allocation of revenue and expenses

Revenue and non share class specific expenses are allocated each day pro rata to the Net Asset Value of assets attributable to each share class. Taxation is computed by reference to the net revenue after expenses and tax attributable to each class.

3 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	613,816,359	651,722,028
Losses on derivative contracts	(195,525,580)	(291,368,246)
Gains on forward currency contracts	418,396,047	410,681,981
Currency exchange (losses)/gains	(95,602,940)	254,307
Activity charges	(1,547,181)	(679,759)
Overseas transaction tax	-	(59,613)
Deferred tax on Offshore Funds	(393,383)	(1,395,972)
Net capital gains	739,143,322	769,154,726

4 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	2,299,002	3,419,888
Collective investment scheme distributions	855,983	3,083,498
Interest on debt securities	157,694,084	197,743,840
Interest on money market deposits	(560)	8,651
Management fee rebate	32,429	60,938
Other income	39	-
Overseas dividends	695,201,581	653,389,767
Property income distribution	367,623	576,363
Returns on derivatives	1,745,427	4,179,332
Stock dividends	346,407	108,810
Stock lending	3,365,288	2,816,002
UK dividends	260,632,651	296,802,597
Total revenue	1,122,539,954	1,162,189,686

5 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	288,498,401	295,814,104
Administration fees	17,345,592	18,303,041
Collection charges	3,350	25,153
Expense cap	(1,901)	(15,651)
Registrar's disbursement fees	75,242	79,174
Safe custody charges	4,862,365	4,365,552
	310,783,049	318,571,373
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	1,125,214	1,131,874
Distribution reconciliation service	23,460	67,998
	1,148,674	1,199,872

Notes to the Aggregated Financial Statements (continued)**5 Expenses (continued)**

	30/06/2015	30/06/2014
	£	£
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	229,310	229,518
- Non-audit services (tax compliance fee)†*	78	63,355
Financial Conduct Authority fee	8,749	8,733
Expenses associated with making tax reclaims	9,613	159,704
Legal fees	2,450	4,548
Sundry expenses	2,729	-
	252,929	465,858
Total expenses	312,184,652	320,237,103

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £202,550 (2014: £191,550) and £520 (2014: £52,795) respectively.

* From 1/07/2015 Tax compliance services have no longer been performed by the auditors.

6 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	919,413	8,470,793
Double tax relief	-	(188,566)
Income tax expense	4,722	284,943
	924,135	8,567,170
Overseas tax withheld	59,393,503	50,358,987
Prior year adjustment	(92,574)	83,269
Repayment of French withholding Tax	(46,904)	(226,304)
Total current tax charge (see note 6b)	60,178,160	58,783,122
Deferred tax movement for the year (see note 6c)*	685,107	-
Total tax charge	60,863,267	58,783,122

*The deferred tax provision relates to potential tax liabilities on accrued property income distributions.

Notes to the Aggregated Financial Statements (continued)

6 Taxation (continued)

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	810,293,155	841,924,949
Corporation tax @ 20%	162,058,633	168,384,990
Effects of:		
Corporation tax on offshore funds paid from capital	203,351	-
Dividends not subject to corporation tax	(173,971,615)	(178,827,073)
Double tax relief	(1,745,655)	(188,566)
Excess expenses for which no relief	75,959	-
Excess management expenses	27,594,926	31,920,920
Excess management expenses prior year adjustment	8,303,652	-
Excess management expenses utilised	(9,842,452)	-
Income tax expense	4,722	284,943
Movement in revenue accruals not taxable	743,038	-
Movement in revenue accruals taxable on receipt	(2,530)	(1,187,257)
Non taxable stock dividends	(13,822)	-
Overseas tax withheld	59,393,503	50,358,987
Overseas tax expensed	(525,502)	72
Prior year adjustment	(92,574)	83,270
Prior year adjustment @ 20%	(23)	-
Prior year income tax adjustment	-	(370)
Repayment of French Withholding Tax	(46,904)	(226,304)
Tax deductible interest distribution	(13,110,973)	(11,260,873)
Tax effect of capitalised fees	1,295,627	-
Tax relief due to capital indexation	(143,201)	(697,413)
Unutilised loan relationship debits	-	137,796
Total current tax charge (see note 6a)	60,178,160	58,783,122

ICVCs are exempt from capital gains tax. Therefore, any capital return is not included in the above reconciliation.

c) Deferred tax

Opening deferred tax balance	-	-
Deferred tax movement for the year (see note 6a)	685,107	-
Closing deferred tax balance	685,107	-

Notes to the Aggregated Financial Statements (continued)

7 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Accumulation distributions	460,752,401	461,790,895
Dividend distributions	445,845,748	503,109,898
Interest distributions	30,634,745	29,969,871
Income tax withheld	9,879,573	9,823,036
	947,112,467	1,004,693,700
Amounts added on issue of shares	(18,680,998)	(35,382,345)
Amounts deducted on cancellation of shares	30,960,992	29,098,018
Net distributions for the year	959,392,461	998,409,373
Interest	61,811	27,053
Interest paid on derivative contracts	336	581
Total finance costs	959,454,608	998,437,007

8 Net movement between revenue after taxation and distributions

	30/06/2015 £	30/06/2014 £
Net revenue after taxation	749,429,888	783,141,827
ACD's periodic charge less tax relief paid from capital	136,545,359	208,796,239
Capitalised fees less tax relief paid from capital	71,916,563	7,218,141
Corporation tax on offshore funds paid	203,351	-
Deferred tax on offshore funds paid from capital	-	(1,369,049)
Equalisation on conversions	1,076,854	349,542
Other income	(39)	-
Return of capital to shareholders brought forward	11,107	15
Return of capital to shareholders carried forward	(35,268)	(11,107)
Transfers from capital distribution for deficits	235,029	285,690
Undistributed revenue brought forward	9,617	7,692
Undistributed revenue carried forward	-	(9,617)
	959,392,461	998,409,373

Notes to the Aggregated Financial Statements (continued)**9 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	150,484,643	167,841,382
Amount receivable for issue of shares	21,494,459	77,170,545
Amount due from Newton Overseas Equity to Newton Global Equity	-	3,436
Capital dividend accrued	-	2,194,606
Corporation Tax due from HMRC	-	198,129
Amounts receivable on open currency contracts	193,246,038	974,054
Dilution adjustment receivable	119,467	-
Income tax recoverable	112,468	103,674
Management fee rebate	-	746
Overseas tax recoverable	29,311,900	21,592,111
Sales awaiting settlement	210,070,168	268,844,234
	604,839,143	538,922,917

10 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	428,566,382	346,788,673
Cash held in BNY Mellon Sterling Liquidity Fund	1,234,456,138	561,894,849
Cash held in BlackRock ICS Institutional Sterling Liquidity Fund	8,135,407	10,131,199
Cash held in Insight Euro Liquidity Fund	6,610,066	-
Cash held in Insight Investment Liquidity Fund	20,355,726	38,760,370
Cash held in Insight US Dollar Liquidity Fund	3,239,389	-
Cash held in LGIM Sterling Liquidity Fund	8,160,087	14,209,020
Cash held in SSGA Cash Management Fund	4,962,286	2,494,486
Cash held on margin account	43,409,679	523,910,963
Cash held at brokers	-	1,218,119
	1,757,895,160	1,499,407,679

Overdrawn cash and bank balances

Overdraft position at brokers	(2,512,229)	(275,444)
Bank overdraft	(335,368)	(3,475)
	(2,847,597)	(278,919)

11 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	26,558,855	27,547,187
Amount due to Shareholders at termination	24,539	1,239
Amount payable for cancellation of shares	163,539,235	74,484,866
Amount re-payable to Newton European Higher Income Fund's ACD	39,042	86,141
Amounts payable on open currency contracts	193,161,153	974,408
Corporation tax payable	697,773	5,742,817
Deferred tax liability	3,005,992	-
Income tax payable	3,953,451	4,298,264
Purchases awaiting settlement	91,873,256	170,495,342
	482,853,296	283,630,264

Notes to the Aggregated Financial Statements (continued)

12 Related party transactions

ACD's periodic charge, administration fees, safe custody charges, activity charges, expenses cap, overdraft interest paid to, management fee rebate and bank interest received from the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3, 4, 5 and 7, and details of shares issued and cancelled by the ACD and amounts received from ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 7. The balance due from the ACD at 30 June 2015 in respect of these transactions was £104,124,013 (30/06/14: £25,762,623 due to the ACD).

State Street Nominees Limited had a shareholding of 80.30% of the Insight Global Absolute Return Fund as at 30 June 2015 and as such is regarded as a related party in accordance with FRS 8 - "Related Party Transactions".

13 Financial instruments

In pursuing their respective objectives each Sub-Fund within the Company holds a number of financial instruments. The Sub-Fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for cancellations and debtors for accrued revenue.

The main risks arising from financial instruments and the ACD's 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-Fund's investment holdings 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-Fund might hold. It represents the potential loss the Sub-Fund might suffer through holding market positions in the face of price movements. The Sub-Fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority mitigates the risk of excessive exposure to any individual security or issuer.

For certain Sub-Funds, The Investment Manager uses the commitment approach to evaluate the global exposure of the Fund. This approach converts the sub-fund's financial derivative instruments position into an equivalent position of the underlying assets based on the market value of the underlying asset. Where appropriate, market price risk associated with over the counter (OTC) derivatives may be managed using Value at Risk (VaR). This calculates the likelihood of the Sub-Fund falling in value from the use of derivatives. Refer to the derivatives risk disclosure in the individual Sub-Funds for further information.

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-Fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

Some of the Sub-Funds' investment portfolios are invested in overseas securities and movements in foreign exchange rates can affect the balance sheet. The ACD 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. Revenue received in other currencies is converted to sterling on or near the date of receipt.

A table showing the foreign currency risk is detailed in the relevant Sub-Funds' accounts.

Interest rate risk

Interest rate risk is the risk that the value of the Sub-Funds' investment holdings will fluctuate as a result of changes in interest rates.

Some of the Sub-Funds invest in fixed and floating rate securities. The revenue of these Sub-Funds may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. Interest rate movements or the expectation of such movements in the future may affect the value of fixed interest securities. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

A table showing the interest rate risk is detailed in the relevant Sub-Funds' accounts. The benchmark rate used is LIBOR. Sterling and foreign denominated credit bank balances currently bear interest at 0.00%, sterling overdraft bank balances at 1.96%, BNY Mellon Sterling Liquidity Fund balances at 0.32%, Insight Investment GBP Liquidity Fund at 0.54%, Insight Investment EUR Liquidity Fund at 0.19%, Insight Investment USD Liquidity Fund at 0.14%, Blackrock ICS Institutional Sterling Liquidity Fund at 0.41%, LGIM Sterling Liquidity Fund at 0.46% and SSGA Cash Management Fund at 0.39%.

The Sub-Funds may also use interest rate swaps to manage interest rate risk. Refer to the derivatives risk disclosure on the individual Sub-Funds for further information.

Notes to the Aggregated Financial Statements (continued)

13 Financial instruments (continued)

Liquidity risk

The risk of low market liquidity, through reduced trading volumes, affects 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.

Exposure to hedge funds is gained by using closed ended investment trust structures which can be traded on various exchanges on a daily basis. However, as with all tradeable financial instruments, the level of liquidity available within the wider financial markets has an impact upon the ability to execute a trade on a given day.

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

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.

Credit / Counterparty risk

Certain transactions in securities that the Sub-Funds enter into expose them 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 ACD as an acceptable counterparty. In addition, limits are set on the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk also occurs with regard to any amounts owed to the Sub-Funds by counterparties. Within the structure of the Sub-Funds this counterparty credit risk is most likely to occur in over the counter (OTC) positions that are creating positive returns.

To ensure that credit risk is controlled, any OTC position which is guaranteed by a counterparty will only be effected with a counterparty that receives a minimum short term rating of A2 and above from Standard & Poor's. If the issuer is not rated by Standard & Poor's the equivalent credit rating from another major credit rating agency (such as Moody's, Fitch or DBRS) will be used.

At the balance sheet date some of the Sub-Funds were invested in bonds. Bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Sub-Funds select bonds taking into account the credit rating of bonds.

Derivative risk

The Sub-Funds may also enter into derivative transactions in the form of forward foreign currency contracts, futures contracts and options contracts. Forward currency contracts are used to manage currency risk arising from holdings of overseas securities or to increase or reduce exposure to a currency pair. Futures are used to manage market price risk. The Sub-Funds use traded options to hedge up the stock that is physically owned. The purpose of undertaking these contracts is to protect the portfolio as far as possible from a downturn in the markets. Certain Sub-Funds may also make use of expanded regulations and use derivatives in pursuit of their investment objectives.

Exchange traded and OTC derivatives (on an index or on single stocks) can be written to enhance the yield for investors. As such returns are taken to revenue.

The Sub-Funds may also invest in over the counter (OTC) derivatives in the form of interest rate swaps, credit default swaps and options. Refer to the individual Sub-Fund for further information.

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 fair value.

14 Contingent assets

Following the ruling on the Denkavit case with the European Court of Justice regarding taxation withheld on overseas dividends, the ACD has taken steps to make claims with certain European Tax Authorities for repayment of taxation suffered by the Sub-Funds on dividend revenue. During the year, the Sub-Funds received repayments from the French Tax Authority which have been recognised as Repayment of French withholding tax in Note 6 (Taxation) and the associated interest within Note 4 (Revenue) to the financial statements for the year ended 30 June 2015. These amounts have been included within the net revenue available for distribution. Due to uncertainty regarding the likely success of the claims, it is not possible to estimate the potential amounts of overseas tax that may be received by the Sub-Fund, if any. Therefore, the financial statements presented for the year ended 30 June 2015 do not reflect any further amounts that may be received.

Notes to the Aggregated Financial Statements (continued)

15 Stock Lending

The revenue arising from the Securities Lending Programme is currently split between the Company and The Bank of New York Mellon in the proportion 80%:20%. (2014: 80%:20%).

As at 30 June 2015 £2,134,593,328 of investments were subject to stock lending agreements and the Sub-Funds held £2,321,369,249 in collateral. The collateral was held 25.68% in debt securities and 74.32% in equity securities.

As at 30 June 2014 £1,099,528,899 of investments were subject to stock lending agreements and the Sub-Funds held £1,154,028,797 in collateral. The collateral was held 57.83% in debt securities and 42.17% in equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £4,206,610 (30/06/14: £3,520,003) and £841,322 (30/06/14: £704,001).

16 Post Balance Sheet Event

Details of the share class price movement between 30 June 2015 and 10 September 2015 can be found on pages 700 to 705.

BNY MELLON INVESTMENT FUNDS – BNY MELLON LONG-TERM GLOBAL EQUITY FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Walter Scott & Partners Limited
Fund Size:	£360m
Comparative Index:	FTSE All World TR GBP
Sector:	The Investment Association Global

Yield as at 30 June 2015:

Sterling Income Shares	0.29%
Institutional Shares (Net Accumulation)	0.85%
Exempt Shares 1 (Net Accumulation)	0.83%
Exempt Shares 2 (Net Accumulation)	1.10%
X Shares (Net Accumulation)	1.84%
Institutional Shares W (Net Income)	1.10%
Institutional Shares W (Net Accumulation)	1.10%
Retail Advised Shares B (Net Income)	0.79%
Retail Advised Shares B (Net Accumulation)	0.78%

Key Dates: Fund Launch 24 August 2007

Investment Objective

The objective of the Fund is to achieve long-term capital appreciation through investments in predominantly equity securities of companies located throughout the world.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	9.08%	4.03%	19.76%	0.63%	15.30%
Institutional Shares (Net Accumulation)	9.70%	4.62%	20.44%	1.19%	15.95%
Exempt Shares 2 (Net Accumulation)	9.97%	4.88%	20.74%	1.45%	16.24%
X Shares (Net Accumulation)*	10.80%	5.68%	21.63%	2.22%	n/a
Institutional Shares W (Net Income)*	9.97%	4.82%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	9.98%	4.90%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	9.63%	4.56%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	9.62%	4.56%	n/a	n/a	n/a
Exempt Shares 1 (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
FTSE All World TR GBP	10.24%	9.64%	21.41%	-4.05%	21.74%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the twelve month period under review, the Sterling Income Share Class of the Fund returned 9.08% against 10.24% for the FTSE All World Index TR.

On an absolute basis, regional returns were driven by US companies. Pacific ex-Japan holdings were the top performers, followed by Japan and emerging markets. The sole Canadian stock was the only absolute detractor. In relative terms, Europe ex-UK stocks outperformed their regional index and were the largest contributors. Pacific ex Japan and emerging markets were also noteworthy relative contributors. The US was a significant relative detractor, partly because of the Fund's limited exposure to the region.

From a sector perspective, energy stocks were the only notable absolute detractors from the Fund's performance, while the technology sector was the greatest absolute contributor. The sole telecommunication services stock was the best performer, followed by healthcare holdings and the materials sector. In relative terms, materials companies led their sector index and were the most notable contributors to the Fund performance compared with its benchmark. An overweight exposure to the technology sector was also an advantage for the Fund. However, the holdings in industrial companies lagged their sector index and were the most noteworthy detractors.

Currency movements added around two and a half percentage points to the Fund's return and around two percentage points to the index return, as sterling weakened significantly against the US dollar.

New holdings in Cognizant Technology Solutions, Gilead Sciences, Novartis, Starbucks and The Walt Disney Company were added to the Fund during the period. The holdings in BG Group, China Shenhua, HSBC Holdings, Sigma-Aldrich and Woodside Petroleum were sold. In addition, a number of holdings changed as a result of cash flows.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Cognizant Technology	BG
Starbucks	Sigma-Aldrich
Gilead Sciences	HSBC
Novartis	Woodside Petroleum
Fastenal	China Shenhua Energy
BG	Syngenta
Walt Disney	EOG
Precision Castparts	Schlumberger
Amphenol	Microsoft
Schlumberger	CNOOC

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	129.61	109.15	0.2998
2011	132.07	110.82	0.2534
2012	139.58	123.42	0.4695
2013	165.14	138.90	0.5664
2014	173.81	149.55	0.3502
2015	189.71	171.45	0.5619
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2010	141.68	119.00	0.9304
2011	145.09	121.82	0.9950
2012	155.17	135.96	1.3238
2013	184.01	154.43	1.4910
2014	196.61	167.93	1.4044
2015	214.94	193.96	1.7462
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2010	142.69	119.70	1.2403
2011	146.31	122.88	1.3365
2012	157.05	137.27	1.6883
2013	186.42	156.31	1.9144
2014	199.99	170.43	1.8723
2015	218.80	197.32	2.2719
X Shares (Net Accumulation)	Pence	Pence	Pence
2010 (from 17 December)	102.21	99.99	n/a
2011	105.20	88.43	1.1189
2012	114.17	99.06	1.9737
2013	135.92	113.64	2.2722
2014	147.59	124.93	2.3629
2015	161.81	145.64	2.7729
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 30 August)	104.72	98.67	n/a
2013	124.30	104.22	1.1644
2014	130.54	112.42	1.2421
2015	142.82	128.80	1.4826
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 30 August)	104.72	98.67	n/a
2013	124.30	104.22	1.0960
2014	133.37	113.65	1.2502
2015	145.92	131.59	1.5150
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 25 September)	103.92	98.25	n/a
2013	123.19	103.24	0.8045
2014	129.63	111.58	0.8491
2015	141.70	127.88	1.0668

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 25 September)	103.92	98.25	n/a
2013	123.19	103.42	0.8104
2014	131.48	112.38	0.8575
2015	143.71	129.71	1.0735
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2014 (from 17 September)	104.71	94.81	n/a
2015	114.60	103.31	0.9944

*Distributions are shown in the year declared rather than paid

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	27,369,529	153.15	17,870,832
30/06/2014	13,241,682	158.67	8,345,339
30/06/2015	8,060,349	172.53	4,671,957
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	77,455,339	171.39	45,192,960
30/06/2014	68,838,926	178.97	38,463,942
30/06/2015	71,562,613	196.34	36,447,958
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	84,608,349	173.69	48,711,934
30/06/2014	94,539,666	181.82	51,995,862
30/06/2015	126,448,997	199.98	63,232,262
X Shares (Net Accumulation)		Pence	
30/06/2013	72,029,444	126.73	56,838,529
30/06/2014	78,206,112	133.68	58,503,357
30/06/2015	53,755,947	148.13	36,288,969
Institutional Shares W (Net Income)		Pence	
30/06/2013	315,368	114.68	274,991
30/06/2014	10,073,392	118.68	8,487,618
30/06/2015	17,438,139	129.05	13,512,470
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	6,247,277	115.85	5,392,600
30/06/2014	19,062,014	121.24	15,721,919
30/06/2015	62,800,183	133.36	47,090,240
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	5,625	111.52	5,044
30/06/2014	5,970	118.05	5,057
30/06/2015	6,536	128.33	5,093
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	50,005	109.52	45,659
30/06/2014	79,188	119.73	66,137
30/06/2015	52,777	131.26	40,207
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2015	19,871,247	104.78	18,965,474

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.64	1.63
Institutional Shares (Net Accumulation)	1.07	1.07
Exempt Shares 1 (Net Accumulation)*	0.67	n/a
Exempt Shares 2 (Net Accumulation)	0.82	0.82
X Shares (Net Accumulation)	0.07	0.07
Institutional Shares W (Net Income)	0.82	0.83
Institutional Shares W (Net Accumulation)	0.82	0.83
Retail Advised Shares B (Net Income)	1.13	1.14
Retail Advised Shares B (Net Accumulation)	1.14	1.14

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*The Ongoing Charges figure for Exempt Shares 1 (Net Accumulation) has been annualised as the share class launched during the period.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 3.46% (7.44%)			
Reckitt Benckiser	124,008	6,803,079	1.89
Standard Chartered	555,778	5,660,599	1.57
Australia 1.81% (3.54%)			
CSL	154,580	6,529,347	1.81
Canada 1.08% (1.89%)			
Suncor Energy	222,626	3,895,913	1.08
Denmark 2.39% (1.96%)			
Novo Nordisk class 'B' shares	247,984	8,586,661	2.39
France 4.32% (4.06%)			
Essilor International	43,191	3,274,132	0.91
L'Oréal	61,897	7,016,309	1.95
LVMH Moët Hennessy	47,156	5,250,135	1.46
Hong Kong 8.65% (9.42%)			
AIA	1,857,200	7,699,967	2.14
China Mobile	810,000	6,590,308	1.83
CLP	671,000	3,618,489	1.01
CNOOC	6,754,000	6,082,364	1.69
Hong Kong & China Gas	5,364,225	7,136,197	1.98
Japan 10.06% (9.71%)			
Denso	170,000	5,375,345	1.49
Fanuc	58,300	7,597,889	2.11
Honda Motor	297,800	6,128,745	1.70
Keyence	13,498	4,622,933	1.29
Komatsu	398,200	5,081,904	1.41
Shin-Etsu Chemical	188,300	7,428,539	2.06
Singapore 1.90% (1.98%)			
Oversea-Chinese Banking	1,425,711	6,853,700	1.90
Spain 2.12% (1.86%)			
Inditex	369,000	7,621,817	2.12
Sweden 2.00% (1.94%)			
Hennes & Mauritz series 'B' shares	294,000	7,191,420	2.00
Switzerland 8.66% (8.17%)			
Nestlé	150,000	6,888,692	1.91
Novartis	106,311	6,665,232	1.85
Roche	31,058	5,536,261	1.54
SGS (Registered)	2,549	2,956,896	0.82
Swatch class 'T' shares	9,664	2,393,974	0.67
Syngenta	26,000	6,722,003	1.87
Taiwan 1.96% (1.92%)			
Taiwan Semiconductor Manufacturing ADS (each representing 5 ordinary shares)	489,833	7,070,140	1.96

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
United States of America 49.29% (42.77%)			
Adobe Systems	142,976	7,364,714	2.05
Amphenol class 'A' shares	200,300	7,381,820	2.05
Auto Data Processing	126,335	6,443,270	1.79
Cisco Systems	377,456	6,588,140	1.83
Cognizant Technology	189,700	7,368,712	2.05
Colgate-Palmolive	170,094	7,071,117	1.96
Disney	51,200	3,714,254	1.03
EOG Resources	114,500	6,371,870	1.77
Fastenal	261,128	7,001,823	1.94
Gilead Sciences	112,267	8,358,456	2.32
Google class 'A' shares	7,857	2,697,918	0.75
Google class 'C' shares	11,922	3,945,472	1.10
Intuitive Surgical	12,107	3,728,790	1.04
Johnson & Johnson	107,492	6,657,847	1.85
MasterCard class 'A' shares	132,583	7,879,782	2.19
Microsoft	266,126	7,470,886	2.07
MSC Industrial Direct	28,509	1,264,932	0.35
Nike class 'B' shares	111,448	7,654,034	2.13
Oracle	260,910	6,685,746	1.86
Praxair	89,603	6,811,241	1.89
Precision Castparts	56,349	7,163,743	1.99
Qualcomm	169,736	6,759,436	1.88
Schlumberger	126,231	6,915,536	1.92
Starbucks	213,287	7,270,500	2.02
Stryker	120,189	7,302,129	2.03
TJX	168,749	7,098,896	1.97
Wal-Mart Stores	131,385	5,923,895	1.64
WW Grainger	43,575	6,557,446	1.82
Portfolio of investments		351,731,395	97.70
Net current assets		8,265,393	2.30
Total Net Assets		359,996,788	100.00

Total unapproved and unquoted securities 0.00%

Comparative figures in brackets refer to 30 June 2014.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		22,452,375		9,481,982
Revenue	2	7,018,718		5,675,133	
Expenses	3	(2,365,347)		(2,008,683)	
Finance costs: Interest	5	(1,635)		(4,508)	
Net revenue before taxation		4,651,736		3,661,942	
Taxation	4	(691,361)		(542,914)	
Net revenue after taxation			3,960,375		3,119,028
Total return before distributions			26,412,750		12,601,010
Finance costs: Distributions	5		(3,970,049)		(3,125,100)
Change in net assets attributable to Shareholders from investment activities			22,442,701		9,475,910

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		284,046,950		268,080,936
Amounts receivable on issue of shares	111,529,320		74,075,559	
Amounts payable on cancellation of shares	(62,053,335)		(70,677,628)	
		49,475,985		3,397,931
Dilution adjustment		49,201		9,602
Stamp Duty Reserve Tax		-		(10,711)
Change in net assets attributable to Shareholders from investment activities (see above)		22,442,701		9,475,910
Retained distributions on accumulation shares		3,981,736		3,093,282
Unclaimed distributions		215		-
Closing net assets attributable to Shareholders		359,996,788		284,046,950

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			351,731,395		274,551,975
Debtors	7	2,940,075		1,404,254	
Cash and bank balances	8	8,166,328		8,865,664	
Total other assets			11,106,403		10,269,918
Total assets			362,837,798		284,821,893
LIABILITIES					
Bank overdraft	8	(64)		-	
Creditors	9	(2,614,299)		(640,240)	
Distribution payable on income shares		(226,647)		(134,703)	
Total other liabilities			(2,841,010)		(774,943)
Total liabilities			(2,841,010)		(774,943)
Net assets attributable to Shareholders			359,996,788		284,046,950

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.6243	0.0624	0.5619	0.0000	0.5619	0.3502
Group 2	0.5744	0.0574	0.5170	0.0449	0.5619	0.3502
Institutional Shares (Net Accumulation)						
Group 1	1.9402	0.1940	1.7462	0.0000	1.7462	1.4044
Group 2	1.3761	0.1376	1.2385	0.5077	1.7462	1.4044
Exempt Shares 2 (Net Accumulation)						
Group 1	2.5243	0.2524	2.2719	0.0000	2.2719	1.8723
Group 2	1.4509	0.1451	1.3058	0.9661	2.2719	1.8723
X Shares (Net Accumulation)						
Group 1	3.0810	0.3081	2.7729	0.0000	2.7729	2.3629
Group 2	3.0810	0.3081	2.7729	0.0000	2.7729	2.3629
Institutional Shares W (Net Income)						
Group 1	1.6473	0.1647	1.4826	0.0000	1.4826	1.2421
Group 2	1.0228	0.1023	0.9205	0.5621	1.4826	1.2421
Institutional Shares W (Net Accumulation)						
Group 1	1.6833	0.1683	1.5150	0.0000	1.5150	1.2502
Group 2	1.0117	0.1012	0.9105	0.6045	1.5150	1.2502
Retail Advised Shares B (Net Income)						
Group 1	1.1853	0.1185	1.0668	0.0000	1.0668	0.8491
Group 2	0.9642	0.0964	0.8678	0.1990	1.0668	0.8491
Retail Advised Shares B (Net Accumulation)						
Group 1	1.1928	0.1193	1.0735	0.0000	1.0735	0.8575
Group 2	1.1928	0.1193	1.0735	0.0000	1.0735	0.8575
Exempt Shares 1 (Net Accumulation)						
Group 1	1.1049	0.1105	0.9944	0.0000	0.9944	n/a
Group 2	1.0907	0.1091	0.9816	0.0128	0.9944	n/a

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	22,504,391	9,498,913
(Losses)/Gains on forward currency contracts	(10,625)	1,049
Currency exchange gains	10,080	24,583
Activity charges	(51,471)	(42,563)
Net capital gains	22,452,375	9,481,982

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	-	3,775
Overseas dividends	6,203,327	4,813,962
Stock dividends	263,481	108,810
Stock lending	28,715	446
UK dividends	523,195	748,140
Total revenue	7,018,718	5,675,133

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	2,181,801	1,839,369
Administration fees	103,260	98,188
Safe custody charges	38,702	33,101
	2,323,763	1,970,658
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	33,504	30,920
	33,504	30,920
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,803	4,370
- Non-audit services (tax compliance fee)†	-	2,448
Financial Conduct Authority fee	277	287
	8,080	7,105
Total expenses	2,365,347	2,008,683

†The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,350 (2014: £6,250) and £nil (2014: £2,040) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	691,361	542,914
Total current tax charge (see note 4b)	<u>691,361</u>	<u>542,914</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	4,651,736	3,661,942
Corporation tax @ 20%	930,347	732,388
Effects of:		
Dividends not subject to corporation tax	(1,397,999)	(1,134,035)
Excess management expenses	467,652	401,647
Overseas tax withheld	691,361	542,914
Total current tax charge (see note 4a)	<u>691,361</u>	<u>542,914</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £7,578,548 (30/06/14: £5,240,287), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £1,515,710 (30/06/14: £1,048,057).

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	26,253	29,230
Final dividend 30 June - Institutional Shares (Net Accumulation)	636,456	540,213
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	188,598	-
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	1,436,571	973,561
Final dividend 30 June - X Shares (Net Accumulation)	1,006,267	1,382,382
Final dividend 30 June - Institutional Shares W (Net Income)	200,340	105,430
Final dividend 30 June - Institutional Shares W (Net Accumulation)	713,412	196,559
Final dividend 30 June - Retail Advised Shares B (Net Income)	54	43
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	432	567
	<u>4,208,383</u>	<u>3,227,985</u>
Amounts added on issue of shares	(422,278)	(266,971)
Amounts deducted on cancellation of shares	183,944	164,086
Net distributions for the year	<u>3,970,049</u>	<u>3,125,100</u>
Interest	1,635	4,508
Total finance costs	<u>3,971,684</u>	<u>3,129,608</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	3,960,375	3,119,028
Equalisation on conversions	9,584	6,072
Undistributed revenue brought forward	90	90
Undistributed revenue carried forward	-	(90)
	<u>3,970,049</u>	<u>3,125,100</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	544,117	299,401
Amount receivable for issue of shares	889,564	924,805
Amounts receivable on open currency contracts	1,152,284	30,149
Overseas tax recoverable	354,110	149,899
	<u>2,940,075</u>	<u>1,404,254</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	8,166,328	8,865,664
	<u>8,166,328</u>	<u>8,865,664</u>
Overdrawn cash and bank balances		
Bank overdraft	(64)	-
	<u>(64)</u>	<u>-</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	257,992	188,175
Amount payable for cancellation of shares	50,493	421,880
Amounts payable on open currency contracts	1,153,530	30,185
Purchases awaiting settlement	1,152,284	-
	<u>2,614,299</u>	<u>640,240</u>

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD as at 30 June 2015 in respect of these transactions was £589,044 (30/06/14: £322,137 due from the ACD).

Notes to the Financial Statements (continued)**11 Financial instruments****Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	12,463,678	7,365,789	19,829,467	30,069,517
Australia	6,529,347	-	6,529,347	10,046,039
Canada	3,895,913	-	3,895,913	5,362,776
China	-	35,682	35,682	-
Denmark	8,586,661	14,130	8,600,791	5,566,637
Europe	23,162,393	23,245	23,185,638	16,824,940
Hong Kong	31,127,325	177,264	31,304,589	26,904,040
Japan	36,235,355	33,797	36,269,152	27,675,841
Singapore	6,853,700	-	6,853,700	5,624,876
Sweden	7,191,420	-	7,191,420	5,517,652
Switzerland	31,163,058	317,305	31,480,363	23,422,309
United States of America	184,522,545	298,181	184,820,726	127,032,323
Total	351,731,395	8,265,393	359,996,788	284,046,950

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	120,437,906	39,367,091
Commissions	55,912	32,641
Taxes	48,729	23,948
Total purchase costs	104,641	56,589
Gross purchases total	120,542,547	39,423,680
Analysis of total sales proceeds:		
Sales before transaction costs	66,162,335	34,387,260
Commissions	(38,738)	(26,010)
Taxes	(5,473)	(2,766)
Total sales costs	(44,211)	(28,776)
Total sales net of transaction costs	66,118,124	34,358,484

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015, £20,399,903 of investments were subject to stock lending agreements and the Fund held £22,917,774 in collateral. The collateral is held 0% in debt securities and 100% in equity securities.

As at 30 June 2014, £5,891,281 of investments were subject to stock lending agreements and the Fund held £6,484,069 in collateral. The collateral was 98.25% in debt securities and 1.75% in equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £35,894 (30/06/14 £558) and £7,179 (30/06/14: £112).

15 Shareholders' funds

The Fund currently has nine share classes; Sterling Income Shares, Institutional Shares (Net Accumulation), Exempt Shares 1 (Net Accumulation), Exempt Shares 2 (Net Accumulation), X Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Net Accumulation)	1.00%	0.03%
Exempt Shares 1 (Net Accumulation)	0.60%	0.03%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 21. The distribution is given in the distribution statement on page 27. All share classes have the same rights on winding up.

**BNY MELLON INVESTMENT FUNDS – INSIGHT CORPORATE BOND FUND
(FORMERLY NEWTON CORPORATE BOND FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Insight Investment Management (Global) Limited**
Fund Size:	£36.79m
Comparative Index:	Markit iBoxx Sterling Collateralized & Corp TR GBP
Sector:	The Investment Association £ Corporate Bond

Distribution Yield as at 30 June 2015:

Sterling Income Shares	4.30%
Institutional Shares W (Net Income)	4.36%
Institutional Shares W (Net Accumulation)	4.37%
Retail Advised Shares B (Net Income)	4.30%
Retail Advised Shares B (Net Accumulation)	4.31%
P Shares (Net Accumulation)	4.37%
Institutional F Shares (Net Income)	4.30%
Institutional F Shares (Net Accumulation)	4.30%

Key Dates: Fund Launch 03 November 1997 (Managed by Insight since October 2014)

Investment Objective**

The objective of the Fund is to generate a total return (being a combination of income and capital growth).

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	4.63%	5.59%	7.40%	6.20%	4.76%
Institutional Shares W (Net Income)*	5.25%	6.19%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.28%	6.19%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	4.97%	5.86%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	4.93%	5.85%	n/a	n/a	n/a
P Shares (Net Accumulation)*	4.70%	5.65%	n/a	n/a	n/a
Institutional F Shares (Net Income)*	n/a	n/a	n/a	n/a	n/a
Institutional F Shares (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
75% BofA Merrill Lynch Non-Gilt/25% Euro High Yield (100% hedged to Sterling)**	n/a	6.75%	10.56%	5.26%	10.19%
Markit iBoxx Sterling Collateralized & Corp TR GBP**	6.37%	n/a	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

** During the period to 30/09/14 the investment manager was Newton Investment Management. With effect from 01/10/14 the investment manager changed to Insight Investment Management (Global) Limited and the investment objective of the fund was changed. Prior to 01/10/14, the performance was managed against a blended index: Merrill Lynch Sterling Non Gilt 75%/ Merrill Lynch Euro High Yield 25%. From 01/10/14, the index changed to Markit iBoxx Sterling Collateralized & Corp TR GBP index.

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.

Fund Report (continued)

Portfolio Summary

In the period to 30 September 2014, the Sterling Income Share Class of the Fund returned 1.29% against 1.95% for the IA £ Corporate Sector Average. For this period of time, the Fund was managed by Newton Investment Management.

Following a successful vote at an Extraordinary General Meeting, Insight Investment Management (Global) Limited became the investment manager of the Fund and assumed responsibility for managing the Fund with a different investment objective effective from 1 October 2014. For the remainder of the 12-month period since the change of investment manager, the Fund returned 1.99% against 3.40% for the Markit iBoxx Sterling Collateralized & Corp TR GBP.

For most of the period under Insight's stewardship, the Fund was overweight credit risk in the expectation that credit spreads (the difference in yield between a corporate bond and a government bond) would narrow. The Fund traded duration tactically over the period, taking positions in the US and European markets as well as the UK gilt market. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). Early in the period the Fund had a short duration position, in the expectation that bond prices would fall but they continued to rise and so the position detracted from performance. Regarding the yield curve, the Fund had a bias to be overweight longer dated bonds and underweight shorter dated bonds which the manager views as being most vulnerable to a sell-off. (The yield curve is the graphic depiction of the relationship between the yields on bonds of the same issuer but different maturities. It can be used as an indicator of future interest rates.) These positions were held in several markets including Italy and they contributed positively to performance. In terms of sectors, the Fund was overweight insurance, subordinated banks, commercial mortgage backed securities and property. It was underweight supranationals (entities involving more than one country), utilities, healthcare and senior banks. The manager reduced the overweight position in insurance on concerns about the future profits of the sector.

The new issue market was very active and the manager purchased a number of new issues at attractive prices. Some relative value trades were done, selling existing bonds and buying new issues from the same issuer in cases where the manager believed the price was more attractive. Corporate bonds issued in US dollar and sterling were favoured over those issued in the euro, as the manager believed they offered better value. As such, the manager added US dollar issues from Wells Fargo, AT&T, Credit Suisse and Commonwealth Bank of Australia among others. Later on, the manager reduced the overweight in US dollar credit based on the belief that UK credit offered more compelling value and switched a number of bonds into UK issues. This contributed positively to performance. The manager reduced the Fund's exposure to Southern European bonds because of concerns about the Greek situation, trimming exposure to issuers including Generali, Telefonica, Santander and Intesa Sanpaolo. The Fund had very little exposure to high yield bonds given their high valuations, and what little exposure the manager had was hedged. In currency, the manager held an overweight position in the US dollar and underweight positions in the Japanese yen, the Australian dollar and the euro, and this had a positive impact on performance given the rally in the US dollar.

With effect from 1 October 2014 the name of the fund changed from Newton Corporate Bond Fund to Insight Corporate Bond Fund.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
UK Treasury Gilt 4.25% 7/6/2032	UK Treasury Gilt 4.25% 7/6/2032
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	GE Capital Corporation 6.44% European Medium Term Bonds 15/11/2022
Italy (Republic) 4.75% Bonds 1/9/2044	Italy (Republic) 4.75% Bonds 1/9/2044
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	Temasek Financial I 5.125% Guaranteed Medium Term Bonds 26/7/2040
Kennedy Wilson Europe Real Estate 3.95% Bonds 30/6/2022	BUPA Finance 6.125% Guaranteed Perpetual Floating Rate Bonds
Bank of America 7% Guaranteed Senior European Medium Term Bonds 31/7/2028	BAT International Finance 5.75% Guaranteed European Medium Term Bonds 5/7/2040
Assicurazioni Generali 10.125% Floating Rate European Medium Term Bonds 10/7/2042	Unite (USAF) II 3.374% Senior Bonds 30/6/2028
RWE Finance 6.125% Guaranteed European Medium Term Bonds 6/7/2039	National Westminster Bank 7.875% Subordinated Bonds 9/9/2015
Western Power Distribution 5.25% Senior European Medium Term Bonds 17/1/2023	InterContinental Hotels 6% Guaranteed European Medium Term Notes 9/12/2016
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	Compass 7.00% Senior Bonds 8/12/2014

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	79.20	75.55	3.3168
2012	84.54	76.93	3.3529
2013	86.65	81.49	2.7549
2014	87.42	82.11	2.5361
2015	90.94	84.85	0.8665
X Shares (Net Accumulation)**	Pence	Pence	Pence
2011 (to 3 February)	92.56	91.70	0.3702
**X Shares (Net Accumulation) share class closed on 03 February 2011.			
P Shares (Net Income)***	Pence	Pence	Pence
2012 (from 20 June)	106.40	99.98	2.2484
2013 (to 23 September)	109.06	102.57	2.3541
***P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 3 September)	103.05	99.66	1.3353
2013	105.80	99.67	3.4239
2014	107.59	100.59	3.2528
2015	111.86	104.44	1.3277
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 September)	104.07	99.66	1.3419
2013	108.35	102.69	3.5227
2014	115.51	105.39	3.4558
2015	120.97	113.70	1.4530
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 4 October)	101.92	99.85	0.9475
2013	104.55	98.41	3.3246
2014	105.90	99.24	3.1183
2015	110.14	102.79	1.1993
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 October)	102.55	99.85	0.9506
2013	106.65	101.03	3.4083
2014	113.15	103.52	3.3783
2015	118.44	111.22	1.2758
P Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 12 October)	102.38	100.00	0.8774
2013	106.41	100.78	3.4565
2014	112.56	103.16	3.2908
2015	117.79	110.54	1.1627
Institutional F Shares (Net Income)	Pence	Pence	Pence
2015 (from 8 April)	100.32	95.25	0.4954
Institutional F Shares (Net Accumulation)	Pence	Pence	Pence
2015 (from 8 April)	100.32	95.25	0.4954

*Distributions are shown in the year declared rather than paid.

Statistics

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	80,667,928	81.64	98,811,501
30/06/2014	49,167,574	83.76	58,702,957
30/06/2015	31,741,594	84.30	37,653,204
P Shares (Net Income)***		Pence	
30/06/2013	324,865	102.75	316,182
***P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)		Pence	
30/06/2013	399,912	99.75	400,898
30/06/2014	7,734,664	102.85	7,520,043
30/06/2015	4,460,808	103.65	4,303,846
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	24,493	102.73	23,842
30/06/2014	347,998	109.38	318,143
30/06/2015	520,646	113.47	458,840
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	5,043	98.54	5,118
30/06/2014	5,354	101.35	5,283
30/06/2015	18,822	102.08	18,439
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	8,447	101.07	8,358
30/06/2014	3,626	107.28	3,380
30/06/2015	5,141	110.99	4,632
P Shares (Net Accumulation)		Pence	
30/06/2013	85,108	100.82	84,420
30/06/2014	48,417	106.81	45,331
30/06/2015	35,153	110.31	31,868
Institutional F Shares (Net Income)		Pence	
30/06/2015	4,728	94.56	5,000
Institutional F Shares (Net Accumulation)		Pence	
30/06/2015	4,753	95.06	5,000

Statistics

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.25	1.17
Institutional Shares W (Net Income)	0.68	0.62
Institutional Shares W (Net Accumulation)	0.69	0.61
Retail Advised Shares B (Net Income)	1.00	0.93
Retail Advised Shares B (Net Accumulation)	1.00	0.92
P Shares (Net Accumulation)	1.18	1.10
Institutional F Shares (Net Income)	0.64	n/a
Institutional F Shares (Net Accumulation)	0.64	n/a

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds 73.98% (83.52%)			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£650,000	675,271	1.83
ABP Finance 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£200,000	245,811	0.67
Affinity Sutton 4.25% European Medium Term Bonds 8/10/2042	£590,000	641,719	1.74
Annington Finance No 4 0% Guaranteed Bonds 10/1/2023	£1,000,000	782,060	2.13
AT&T 4.25% Senior Bonds 1/6/2043	£310,000	282,497	0.77
AT&T 4.875% Senior Bonds 1/6/2044	£320,000	320,480	0.87
AXA 5.453% Subordinated Perpetual Floating Rate Notes	£592,000	600,791	1.63
Bank of America 7% Guaranteed Senior European Medium Term Bonds 31/7/2028	£600,000	803,705	2.18
Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 20/12/2024	£200,000	236,116	0.64
Barclays 10% Guaranteed Subordinated European Medium Term Bonds 21/5/2021	£133,000	172,571	0.47
BPCE 5.25% Subordinated Notes 16/4/2029	£400,000	413,778	1.12
Citigroup 6.8% Guaranteed Senior European Medium Term Bonds 25/6/2038	£158,000	222,949	0.61
CPUK Finance 2.666% European Medium Term Notes 28/2/2042	£364,000	362,715	0.99
Credit Suisse Group Funding Guernsey 3% Bonds 27/5/2022	£312,000	302,721	0.82
E.ON International Finance 6.375% Guaranteed European Medium Term Bonds 7/6/2032	£455,000	562,007	1.53
Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	£700,000	808,178	2.20
Electricité de France 6% Perpetual Subordinated Floating Rate Bonds	£500,000	506,258	1.38
Enel 5.75% Senior European Medium Term Bonds 22/6/2037	£380,000	425,176	1.16
Enel Finance 5.75% Guaranteed European Medium Term Bonds 14/9/2040	£200,000	222,681	0.60
Enterprise Inns 6.5% Guaranteed Senior Bonds 6/12/2018	£375,000	396,694	1.08
Eurosail 1.34125% Floating Rate Mortgage Backed Bonds 13/9/2045	£401,926	382,641	1.04
Gatwick Funding 4.625% Senior European Medium Term Notes 27/3/2036	£360,000	378,505	1.03
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	£600,000	820,474	2.23
GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	£220,000	265,312	0.72
Health Care 4.5% Medium Term Notes 1/12/2034	£250,000	253,664	0.69
Health Care REIT 4.8% Senior Notes 20/11/2028	£500,000	537,955	1.46
Heathrow Funding 4.625% Senior European Medium Term Notes 31/10/2048	£300,000	318,245	0.86
Heathrow Funding 5.225% Guaranteed Senior European Medium Term Bonds 15/2/2023	£600,000	681,626	1.85
HSBC 6.75% Guaranteed Subordinated Bonds 11/9/2028	£500,000	602,861	1.64
HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	£300,000	380,104	1.03
Intu SGS Finance 4.25% European Medium Term Notes 17/9/2035	£300,000	308,115	0.84
Juturna Euro Loan 5.0636% European Medium Term Notes 10/8/2033	£323,829	369,168	1.00
Kennedy Wilson Europe Real Estate 3.95% Bonds 30/6/2022	£600,000	591,624	1.61
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£600,000	676,188	1.84
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£490,000	695,168	1.89
Leek Finance Number Nineteen 0.97963% Bonds 21/12/2038	£400,000	392,978	1.07
Lloyds TSB 6.5% Guaranteed Senior European Medium Term Bonds 17/9/2040	£81,000	112,184	0.30
Mitchells & Butlers Finance 6.013% Guaranteed Asset Backed Bonds 15/12/2030	£429,000	498,227	1.35
Mondelez International 3.875% Bonds 6/3/2045	£100,000	90,994	0.25
Orange 5.625% Guaranteed Senior Bonds 23/1/2034	£400,000	468,720	1.27
Precise Mortgage Funding 2.47125% Floating Rate Mortgage Backed Notes 12/12/2047	£150,000	149,371	0.41
Precise Mortgage Funding 2.97125% Floating Rate Mortgage Backed Notes 12/12/2047	£150,000	149,501	0.41
Punch Taverns Finance 7.274% Guaranteed Bonds 15/10/2026	£221,400	247,501	0.67
Punch Taverns Finance 7.32% Guaranteed Bonds 15/10/2025	£48,535	54,179	0.15
Royal Bank of Scotland 5.125% Guaranteed Senior European Medium Term Bonds 13/1/2024	£200,000	238,668	0.65
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	£100,000	98,497	0.27
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£300,000	355,944	0.97
RWE Finance 6.125% Guaranteed European Medium Term Bonds 6/7/2039	£600,000	702,068	1.91
Santander 7.375% Bonds 24/6/2049	£200,000	199,500	0.54
Scentre Management 2.375% Bonds 8/4/2022	£450,000	434,826	1.18
Scottish Widows 5.5% Bonds 16/6/2023	£500,000	516,622	1.39
Scottish Widows 7% Subordinated Bonds 16/6/2043	£200,000	231,795	0.63
Sky 4% European Medium Term Notes 26/11/2029	£500,000	498,793	1.36
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£950,000	861,841	2.34
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£600,000	603,301	1.64
Southern Gas Network 4.875% Guaranteed European Medium Term Bonds 21/3/2029	£600,000	684,382	1.86

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds (continued)			
Southern Water Services Finance 5.125% Guaranteed Senior European Medium Term Bonds 30/9/2056	£596,000	730,406	1.98
Taurus 2014-1 3.05475% Floating Rate Mortgage Backed Securities 1/5/2022	£232,810	234,875	0.64
Telefonica Emisiones 5.445% Guaranteed European Medium Term Bonds 8/10/2029	£150,000	165,088	0.45
Tesco Property Finance 6 5.4111% Guaranteed Mortgage Backed Bonds 13/7/2044	£499,160	458,174	1.25
Tesco Property Finance 2 6.0517% Guaranteed Mortgage Backed Bonds 13/10/2039	£370,169	373,685	1.02
Time Warner Cable 5.25% Guaranteed Bonds 15/7/2042	£160,000	146,383	0.40
Wellcome Trust Finance 4% Guaranteed Bonds 9/5/2059	£200,000	237,897	0.65
Western Power Distribution 5.25% Senior European Medium Term Bonds 17/1/2023	£570,000	649,889	1.77
White City Property Finance 5.1202% Guaranteed Bonds 17/4/2035	£334,326	384,718	1.05
Non-Sterling Denominated Corporate Bonds 23.97% (12.49%)			
ABN AMRO Bank 2.875% Medium Term Notes 30/6/2025	EUR 241,000	172,412	0.47
Access Midstream Partners 4.875% Bonds 15/3/2024	USD 285,000	178,046	0.48
Alba 0.615% Floating Rate Asset Backed Notes 27/9/2038	EUR 178,156	126,244	0.34
ALME Loan Funding II 2.291567% Bonds 15/8/2027	EUR 350,000	246,783	0.67
Altria Group 10.2% Bonds 6/2/2039	USD 300,000	314,122	0.85
AT&T 4.75% Notes 15/5/2046	USD 226,000	130,765	0.36
Babson 0% Collateralised Loan Obligation 25/11/2027	EUR 500,000	349,299	0.95
Bankia 4% Subordinated Floating Rate Notes 22/5/2024	EUR 200,000	137,867	0.37
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD 730,000	528,597	1.44
Boats Investments Netherlands 7.579% European Medium Term Floating Rate Notes 15/12/2015	EUR 707,411	2,506	0.01
Carlyle Global Market Strategies 2014-2 3.80773% Collateralised Loan Obligation 15/8/2027	EUR 500,000	351,662	0.96
Carlyle Global Market Strategies Euro CLO 2015-1 0% Floating Rate Notes 16/4/2029	EUR 450,000	320,067	0.87
Chapel 0.429% Asset Backed Floating Rate Notes 17/7/2066	EUR 320,455	222,300	0.60
Citigroup 8.125% Guaranteed Senior Bonds 15/7/2039	USD 400,000	365,069	0.99
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR 400,000	338,470	0.92
Credit Agricole 4.375% Subordinated Bonds 17/3/2025	USD 740,000	450,729	1.22
Credit Suisse Group Funding Guernsey 4.875% Bonds 15/5/2045	USD 230,000	140,713	0.38
E.ON International Finance 6.65% Guaranteed Bonds 30/4/2038	USD 495,000	378,688	1.03
Electricite de France 6% Bonds 22/1/2014	USD 256,000	173,320	0.47
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD 1,000,000	611,871	1.66
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR 200,000	159,583	0.43
Eurosail 2006-2bl 0.4806% Mortgage Backed Floating Rate Notes 15/12/2044	USD 300,000	165,166	0.45
Fondo de Titulizacion de Activos Santander Financiacion 0.631% Floating Rate Notes 20/7/2035	EUR 400,000	268,467	0.73
General Electric 1.875% Bonds 28/5/2027	EUR 150,000	104,671	0.28
Glencore Funding 4.125% Bonds 30/5/2023	USD 200,000	121,594	0.33
Hellas Telecommunications Finance 8.835% Bonds 15/7/2015**	EUR 1,117,936	0	0.00
JP Morgan Chase 5.4% Bonds 6/1/2042	USD 98,000	68,850	0.19
Jubilee 2013-X BV 3.999% Collateralised Loan Obligation 15/8/2025	EUR 350,000	248,558	0.68
Kinder Morgan 5.55% Bonds 1/6/2045	USD 260,000	152,803	0.42
KPN Qwest 10% Convertible Notes 15/3/2012**	EUR 282,000	0	0.00
Lusitano Mortgages No 5 0.212% Bonds 15/7/2059	EUR 319,620	199,959	0.54
Monastery 2006-I BV 0.398% Mortgage Backed Floating Rate Notes 17/11/2044	EUR 229,254	150,857	0.41
Morgan 3.95% Bonds 23/4/2027	USD 280,000	167,870	0.46
Newgate Funding 2006-3 0.275% Mortgage Backed Floating Rate Notes 1/12/2050	EUR 400,000	240,505	0.65
Taurus 2.491% Floating Rate Mortgage Backed Notes 18/2/2017	EUR 459,195	326,580	0.89
Unitymedia Hessen/Unitymedia 3.5% Bonds 15/1/2027	EUR 390,000	269,414	0.73
Utrecht Funding 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR 300,261	213,165	0.58
Verizon Communications 4.4% Bonds 1/11/2034	USD 600,000	353,186	0.96
Verizon Communications 4.522% Bonds 15/9/2048	USD 120,000	67,032	0.18
Verizon Communications 6.4% Senior Notes 15/9/2033	USD 8,000	5,829	0.02
Winstar Communications 12.75% Senior Notes 15/4/2010**	EUR 900,000	0	0.00
Kazakhstan Equities 0.00% (0.00%)			
Forte Bank GDR**	220	0	0.00
Preference Shares 0.00% (0.00%)			
Forte Bank Preference Shares GDR**	120	0	0.00

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives 0.13% (0.37%)			
Credit Default Swaps -0.68% (0.00%)			
Banco Santander 1% 20/6/2020 Credit Default Swap	EUR 800,000	1,944	0.00
Intesa Sanpaolo 1% 20/6/2020 Credit Default Swap	EUR 800,000	2,580	0.01
iTraxx Europe Crossover 5% 20/6/2020 Credit Default Swap	EUR 800,000	(43,342)	(0.12)
iTraxx Europe Crossover 5% 20/6/2020 Credit Default Swap	EUR 1,020,000	(55,260)	(0.15)
iTraxx Europe Crossover 5% 20/6/2020 Credit Default Swap	EUR 500,000	(27,088)	(0.07)
iTraxx Europe Crossover 5% 20/6/2020 Credit Default Swap	EUR 1,500,000	(81,265)	(0.22)
Markit CDX North American High Yield 5% 20.06.2020 Credit Default Swap	USD 594,000	(24,001)	(0.07)
Markit CDX North American High Yield 5% 20.06.2020 Credit Default Swap	USD 396,000	(16,001)	(0.04)
Markit iTraxx Europe Crossover 5% 20.06.2020 Credit Default Swap	EUR 400,000	(21,749)	(0.06)
Tesco Plc 1.00% 20/9/2020 Credit Default Swap	EUR 600,000	15,347	0.04
Interest Rate Swaps 0.30% (0.00%)			
Receive GBP 6 Months Pay 1.5975% 4/3/2020	£5,900,000	15,752	0.04
Deliver GBP 6 Months Pay 1.5975% 4/3/2020	£(5,900,000)	(13,347)	(0.04)
Receive GBP 6 Months Pay 2.796% 3/10/2034	£1,000,000	78,301	0.21
Deliver GBP 6 Months Pay 2.796% 3/10/2034	£(1,000,000)	(1,594)	0.00
Receive LIBOR GBP 6 Months Pay 2.296% 4/3/2040	£650,000	7,597	0.02
Deliver LIBOR GBP 6 Months Pay 2.296% 4/3/2040	£(650,000)	(4,825)	(0.01)
Receive LIBOR USD 6 Months Pay 2.572% 5/5/2045	USD 700,000	31,238	0.08
Deliver LIBOR USD 6 Months Pay 2.572% 5/5/2045	USD (700,000)	(1,749)	0.00
GBP Forward Foreign Currency Contracts 0.39% (0.00%)			
Forward Foreign Currency Contracts 01/07/2015	£96,451	96,451	0.26
Forward Foreign Currency Contracts 01/07/2015	USD (149,000)	(94,741)	(0.26)
Forward Foreign Currency Contracts 01/07/2015	£277,256	277,255	0.75
Forward Foreign Currency Contracts 01/07/2015	USD (431,000)	(274,051)	(0.74)
Forward Foreign Currency Contracts 01/07/2015	£89,322	89,322	0.24
Forward Foreign Currency Contracts 01/07/2015	USD (140,000)	(89,019)	(0.24)
Forward Foreign Currency Contracts 10/07/2015	£295,821	295,821	0.80
Forward Foreign Currency Contracts 10/07/2015	EUR (413,000)	(292,645)	(0.80)
Forward Foreign Currency Contracts 10/07/2015	£222,756	222,755	0.61
Forward Foreign Currency Contracts 10/07/2015	EUR (312,000)	(221,078)	(0.60)
Forward Foreign Currency Contracts 15/07/2015	£2,042,840	2,042,839	5.55
Forward Foreign Currency Contracts 15/07/2015	USD (3,109,000)	(1,977,037)	(5.37)
Forward Foreign Currency Contracts 24/07/2015	£611,847	611,847	1.66
Forward Foreign Currency Contracts 24/07/2015	EUR (843,000)	(597,508)	(1.62)
Forward Foreign Currency Contracts 29/07/2015	£2,357,257	2,357,257	6.41
Forward Foreign Currency Contracts 29/07/2015	USD (3,651,000)	(2,321,930)	(6.31)
Forward Foreign Currency Contracts 12/08/2015	£3,255,243	3,255,243	8.85
Forward Foreign Currency Contracts 12/08/2015	EUR (4,570,000)	(3,240,482)	(8.81)
Forward Foreign Currency Contracts 14/08/2015	£281,702	281,701	0.77
Forward Foreign Currency Contracts 14/08/2015	USD (442,000)	(281,132)	(0.76)
CHF Forward Foreign Currency Contracts 0.00% (0.01%)			
EUR Forward Foreign Currency Contracts 0.00% (0.36%)			
Forward Foreign Currency Contracts 10/07/2015	EUR 104,000	73,693	0.20
Forward Foreign Currency Contracts 10/07/2015	£ (75,141)	(75,141)	(0.20)
Forward Foreign Currency Contracts 24/07/2015	EUR 116,000	82,219	0.22
Forward Foreign Currency Contracts 24/07/2015	£ (82,457)	(82,547)	(0.22)
USD Forward Foreign Currency Contracts -0.01% (0.00%)			
Forward Foreign Currency Contracts 15/07/2015	USD 320,000	203,491	0.55
Forward Foreign Currency Contracts 15/07/2015	£ (207,459)	(207,459)	(0.56)
Futures 0.13% (0.00%)			
Euro-Bund Future Expires September 2015	EUR (9)	8,566	0.02
Long Gilt Future Expires September 2015	£20	(10,787)	(0.03)
US 10 Year Note Future (CBT) Expires September 2015	USD (21)	14,083	0.04
US Bond Future (CBT) Expires September 2015	USD (6)	12,280	0.03
US Ultra Bond Future (CBT) Expires September 2015	USD (8)	24,162	0.07

Portfolio Statement (continued)

Portfolio of investments*	36,086,420	98.08
Net current assets	705,225	1.92
Total Net Assets	36,791,645	100.00

Total unapproved and unquoted securities

0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the UK Government Stocks portfolio categories, which, at 30 June 2014, represented 1.15% respectively of the Total Net Assets of the Fund.

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt and equity securities issued by the relevant companies or issuers.

GDR = Global Depositary Receipt

*Net of investment liabilities

**Delisted/Suspended/unlisted security.

Portfolio Statement by Credit Rating

as at 30 June 2015

Standard & Poor's Ratings:	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
AAA	236	0.64	8.07
AA	3,096	8.41	9.98
A	9,414	25.58	28.19
BBB	10,071	27.38	32.58
BB	2,520	6.85	4.11
B	509	1.38	5.32
CCC	268	0.73	0.00
Not rated (by S&P)	9,926	26.98	8.91
Derivatives	46	0.13	0.37
Portfolio of investments	36,086	98.08	97.53
Net current assets	705	1.92	2.47
Total Net Assets	36,791	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		879,089		2,756,730
Revenue	2	1,918,715		3,250,836	
Expenses	3	(505,788)		(880,127)	
Finance costs: Interest	5	(10,436)		-	
Net revenue before taxation		1,402,491		2,370,709	
Taxation	4	(8,776)		-	
Net revenue after taxation			1,393,715		2,370,709
Total return before distributions			2,272,804		5,127,439
Finance costs: Distributions	5		(1,518,915)		(3,127,237)
Change in net assets attributable to Shareholders from investment activities			753,889		2,000,202

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		57,307,633		81,515,796
Amounts receivable on issue of shares	1,281,803		10,981,064	
Amounts payable on cancellation of shares	(22,622,745)		(37,282,268)	
		(21,340,942)		(26,301,204)
Dilution adjustment		57,809		78,412
Change in net assets attributable to Shareholders from investment activities (see above)		753,889		2,000,202
Retained distributions on accumulation shares		10,821		7,661
Unclaimed distributions		2,435		6,766
Closing net assets attributable to Shareholders		36,791,645		57,307,633

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			36,341,989		55,925,841
Debtors	7	1,377,043		1,751,155	
Cash and bank balances	8	450,455		598,896	
Total other assets			1,827,498		2,350,051
Total assets			38,169,487		58,275,892
LIABILITIES					
Investment liabilities			(255,569)		(33,825)
Overdrawn cash and bank balances	8	(209,671)		-	
Creditors	9	(748,010)		(789,432)	
Distribution payable on income shares		(164,592)		(145,002)	
Total other liabilities			(1,122,273)		(934,434)
Total liabilities			(1,377,842)		(968,259)
Net assets attributable to Shareholders			36,791,645		57,307,633

* Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.4635	0.0927	0.3708	0.0000	0.3708	0.2129
Group 2	0.1790	0.0358	0.1432	0.2276	0.3708	0.2129
Institutional Shares W (Net Income)						
Group 1	0.7216	0.1443	0.5773	0.0000	0.5773	0.2661
Group 2	0.2909	0.0582	0.2327	0.3446	0.5773	0.2661
Institutional Shares W (Net Accumulation)						
Group 1	0.7868	0.1574	0.6294	0.0000	0.6294	0.2822
Group 2	0.4021	0.0804	0.3217	0.3077	0.6294	0.2822
Retail Advised Shares B (Net Income)						
Group 1	0.6281	0.1256	0.5025	0.0000	0.5025	0.2574
Group 2	0.0689	0.0138	0.0551	0.4474	0.5025	0.2574
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6816	0.1363	0.5453	0.0000	0.5453	0.2721
Group 2	0.6816	0.1363	0.5453	0.0000	0.5453	0.2721
P Shares (Net Accumulation)						
Group 1	0.6239	0.1248	0.4991	0.0000	0.4991	0.2757
Group 2	0.6239	0.1248	0.4991	0.0000	0.4991	0.2757

						Period
						Group 1: Shares purchased at launch 8 April 2015
						Group 2: Shares purchased 9 April 2015 to 30 June 2015
Institutional F Shares (Net Income)						
Group 1	0.6193	0.1239	0.4954	0.0000	0.4954	n/a
Group 2	0.6193	0.1239	0.4954	0.0000	0.4954	n/a
Institutional F Shares (Net Accumulation)						
Group 1	0.6193	0.1239	0.4954	0.0000	0.4954	n/a
Group 2	0.6193	0.1239	0.4954	0.0000	0.4954	n/a

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 May 2014
						Group 2: Shares purchased 1 May 2014 to 31 May 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2321
Group 2	n/a	n/a	n/a	n/a	n/a	0.2321
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2898
Group 2	n/a	n/a	n/a	n/a	n/a	0.2898

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 May 2014
						Group 2: Shares purchased 1 May 2014 to 31 May 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.3065
Group 2	n/a	n/a	n/a	n/a	n/a	0.3065
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2807
Group 2	n/a	n/a	n/a	n/a	n/a	0.2807
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2957
Group 2	n/a	n/a	n/a	n/a	n/a	0.2957
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2995
Group 2	n/a	n/a	n/a	n/a	n/a	0.2995

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2014
						Group 2: Shares purchased 1 April 2015 to 30 April 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/04/2014
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2041
Group 2	n/a	n/a	n/a	n/a	n/a	0.2041
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2551
Group 2	n/a	n/a	n/a	n/a	n/a	0.2551
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2692
Group 2	n/a	n/a	n/a	n/a	n/a	0.2692
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2470
Group 2	n/a	n/a	n/a	n/a	n/a	0.2470
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2592
Group 2	n/a	n/a	n/a	n/a	n/a	0.2592
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2631
Group 2	n/a	n/a	n/a	n/a	n/a	0.2631

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.6196	0.1239	0.4957	0.0000	0.4957	0.1778
Group 2	0.2870	0.0574	0.2296	0.2661	0.4957	0.1778
Institutional Shares W (Net Income)						
Group 1	0.9380	0.1876	0.7504	0.0000	0.7504	0.2229
Group 2	0.3219	0.0644	0.2575	0.4929	0.7504	0.2229
Institutional Shares W (Net Accumulation)						
Group 1	1.0295	0.2059	0.8236	0.0000	0.8236	0.2347
Group 2	0.5004	0.1001	0.4003	0.4233	0.8236	0.2347
Retail Advised Shares B (Net Income)						
Group 1	0.8710	0.1742	0.6968	0.0000	0.6968	0.2150
Group 2	0.2765	0.0553	0.2212	0.4756	0.6968	0.2150
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9131	0.1826	0.7305	0.0000	0.7305	0.2253
Group 2	0.9131	0.1826	0.7305	0.0000	0.7305	0.2253
P Shares (Net Accumulation)						
Group 1	0.8295	0.1659	0.6636	0.0000	0.6636	0.2295
Group 2	0.8295	0.1659	0.6636	0.0000	0.6636	0.2295

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 February 2014
						Group 2: Shares purchased 1 February 2014 to 28 February 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 28/02/2014
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.1873
Group 2	n/a	n/a	n/a	n/a	n/a	0.1873
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2340
Group 2	n/a	n/a	n/a	n/a	n/a	0.2340
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2459
Group 2	n/a	n/a	n/a	n/a	n/a	0.2459
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2266
Group 2	n/a	n/a	n/a	n/a	n/a	0.2266
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2371
Group 2	n/a	n/a	n/a	n/a	n/a	0.2371

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 February 2014
						Group 2: Shares purchased 1 February 2014 to 28 February 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/01/2014
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2405
Group 2	n/a	n/a	n/a	n/a	n/a	0.2405

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2014
						Group 2: Shares purchased 1 January 2014 to 31 January 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/01/2014
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2110
Group 2	n/a	n/a	n/a	n/a	n/a	0.2110
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2634
Group 2	n/a	n/a	n/a	n/a	n/a	0.2634
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2760
Group 2	n/a	n/a	n/a	n/a	n/a	0.2760
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2552
Group 2	n/a	n/a	n/a	n/a	n/a	0.2552
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2662
Group 2	n/a	n/a	n/a	n/a	n/a	0.2662
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2701
Group 2	n/a	n/a	n/a	n/a	n/a	0.2701

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.6290	0.1258	0.5032	0.0000	0.5032	0.2443
Group 2	0.3865	0.0773	0.3092	0.1940	0.5032	0.2443
Institutional Shares W (Net Income)						
Group 1	0.9251	0.1850	0.7401	0.0000	0.7401	0.3040
Group 2	0.3635	0.0727	0.2908	0.4493	0.7401	0.3040

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares W (Net Accumulation)						
Group 1	0.9931	0.1986	0.7945	0.0000	0.7945	0.3176
Group 2	0.7584	0.1517	0.6067	0.1878	0.7945	0.3176
Retail Advised Shares B (Net Income)						
Group 1	0.8375	0.1675	0.6700	0.0000	0.6700	0.2952
Group 2	0.2254	0.0451	0.1803	0.4897	0.6700	0.2952
Retail Advised Shares B (Net Accumulation)						
Group 1	0.8896	0.1779	0.7117	0.0000	0.7117	0.3072
Group 2	0.8896	0.1779	0.7117	0.0000	0.7117	0.3072
P Shares (Net Accumulation)						
Group 1	0.8296	0.1659	0.6637	0.0000	0.6637	0.3109
Group 2	0.8296	0.1659	0.6637	0.0000	0.6637	0.3109

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 November 2013
						Group 2: Shares purchased 1 November 2013 to 30 November 2013
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/11/2013
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2072
Group 2	n/a	n/a	n/a	n/a	n/a	0.2072
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2584
Group 2	n/a	n/a	n/a	n/a	n/a	0.2584
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2692
Group 2	n/a	n/a	n/a	n/a	n/a	0.2692
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2504
Group 2	n/a	n/a	n/a	n/a	n/a	0.2504
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2600
Group 2	n/a	n/a	n/a	n/a	n/a	0.2600
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2637
Group 2	n/a	n/a	n/a	n/a	n/a	0.2637

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 October 2013
						Group 2: Shares purchased 1 October 2013 to 31 October 2013
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/10/2013
Sterling Income Shares*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2375
Group 2	n/a	n/a	n/a	n/a	n/a	0.2375
Institutional Shares W (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2955
Group 2	n/a	n/a	n/a	n/a	n/a	0.2955
Institutional Shares W (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.3070
Group 2	n/a	n/a	n/a	n/a	n/a	0.3070
Retail Advised Shares B (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2859
Group 2	n/a	n/a	n/a	n/a	n/a	0.2859
Retail Advised Shares B (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.2967
Group 2	n/a	n/a	n/a	n/a	n/a	0.2967
P Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.3008
Group 2	n/a	n/a	n/a	n/a	n/a	0.3008

*From 1 October 2014 the distribution frequency of the Fund changed from monthly to quarterly.

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 September 2014
						Group 2: Shares purchased 1 September 2014 to 30 September 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.3079	0.0616	0.2463	0.0000	0.2463	0.2268
Group 2	0.1036	0.0207	0.0829	0.1634	0.2463	0.2268
Institutional Shares W (Net Income)						
Group 1	0.3738	0.0748	0.2990	0.0000	0.2990	0.2820
Group 2	0.1550	0.0310	0.1240	0.1750	0.2990	0.2820
Institutional Shares W (Net Accumulation)						
Group 1	0.4000	0.0800	0.3200	0.0000	0.3200	0.2922
Group 2	0.2071	0.0414	0.1657	0.1543	0.3200	0.2922
Retail Advised Shares B (Net Income)						
Group 1	0.3686	0.0737	0.2949	0.0000	0.2949	0.2739
Group 2	0.0054	0.0011	0.0043	0.2906	0.2949	0.2739
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3915	0.0783	0.3132	0.0000	0.3132	0.2827
Group 2	0.3915	0.0783	0.3132	0.0000	0.3132	0.2827

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 September 2014
						Group 2: Shares purchased 1 September 2014 to 30 September 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
P Shares (Net Accumulation)						
Group 1	0.4015	0.0803	0.3212	0.0000	0.3212	0.2864
Group 2	0.4015	0.0803	0.3212	0.0000	0.3212	0.2864

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 August 2014
						Group 2: Shares purchased 1 August 2014 to 31 August 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/08/2013
Sterling Income Shares						
Group 1	0.3481	0.0696	0.2785	0.0000	0.2785	0.2331
Group 2	0.1606	0.0321	0.1285	0.1500	0.2785	0.2331
P Shares (Net Income)**						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.2983
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.2983
Institutional Shares W (Net Income)						
Group 1	0.4230	0.0846	0.3384	0.0000	0.3384	0.2898
Group 2	0.2573	0.0515	0.2058	0.1326	0.3384	0.2898
Institutional Shares W (Net Accumulation)						
Group 1	0.4513	0.0903	0.3610	0.0000	0.3610	0.2994
Group 2	0.2888	0.0578	0.2310	0.1300	0.3610	0.2994
Retail Advised Shares B (Net Income)						
Group 1	0.4150	0.0830	0.3320	0.0000	0.3320	0.2813
Group 2	0.0548	0.0110	0.0438	0.2882	0.3320	0.2813
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4439	0.0888	0.3551	0.0000	0.3551	0.2898
Group 2	0.4439	0.0888	0.3551	0.0000	0.3551	0.2898
P Shares (Net Accumulation)						
Group 1	0.4520	0.0904	0.3616	0.0000	0.3616	0.2936
Group 2	0.4520	0.0904	0.3616	0.0000	0.3616	0.2936

**P Shares (Net Income) share class closed 23 September 2013.

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 July 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/07/2013
Sterling Income Shares						
Group 1	0.3536	0.0707	0.2829	0.0000	0.2829	0.2562
Group 2	0.1414	0.0283	0.1131	0.1698	0.2829	0.2562
P Shares (Net Income)**						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.3273
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.3273
Institutional Shares W (Net Income)						
Group 1	0.4300	0.0860	0.3440	0.0000	0.3440	0.3180
Group 2	0.1374	0.0275	0.1099	0.2341	0.3440	0.3180
Institutional Shares W (Net Accumulation)						
Group 1	0.4573	0.0915	0.3658	0.0000	0.3658	0.3275
Group 2	0.2800	0.0560	0.2240	0.1418	0.3658	0.3275
Retail Advised Shares B (Net Income)						
Group 1	0.4244	0.0849	0.3395	0.0000	0.3395	0.3094
Group 2	0.0000	0.0000	0.0000	0.3395	0.3395	0.3094
Retail Advised Shares B (Net Accumulation)						
Group 1	0.5534	0.1107	0.4427	0.0000	0.4427	0.3173
Group 2	0.0963	0.0193	0.0770	0.3657	0.4427	0.3173
P Shares (Net Accumulation)						
Group 1	0.4574	0.0915	0.3659	0.0000	0.3659	0.3213
Group 2	0.4574	0.0915	0.3659	0.0000	0.3659	0.3213

**P Shares (Net Income) share class closed 23 September 2013.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	10,476	2,036,811
Gains on derivative contracts	135,569	-
Gains on forward currency contracts	832,194	732,478
Currency exchange losses	(60,470)	(6,284)
Activity charges	(38,680)	(6,275)
Net capital gains	879,089	2,756,730

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	2,839	5,859
Interest on debt securities	1,948,439	3,242,349
Overseas dividends	3,987	-
Returns on derivatives	(37,701)	-
Stock lending	1,151	2,628
Total revenue	1,918,715	3,250,836

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	432,277	756,217
Administration fees	42,163	74,273
Registrar's disbursement fees	-	3
Safe custody charges	6,233	9,877
	480,673	840,370
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	13,184	18,860
Distribution reconciliation service	3,744	10,387
	16,928	29,247
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,689	8,460
- Non-audit services (tax compliance fee)†	220	1,764
Financial Conduct Authority fee	278	286
	8,187	10,510
Total expenses	505,788	880,127

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £7,150 (2014: £7,050) and £nil (2014: £1,470) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Overseas tax withheld	8,776	-
Total current tax charge (see note 4b)	8,776	-

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	1,402,491	2,370,709
Corporation tax @ 20%	280,498	474,142
Effects of:		
Excess management expenses	(280,498)	(474,142)
Overseas tax withheld	8,776	-
Total current tax charge (see note 4a)	8,776	-

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £8,993,695 (30/06/14: £10,396,185), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £1,798,739 (30/06/14: £2,079,237).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim interest 31 July - Sterling Income Shares	153,750	256,497
Interim interest 31 July - P Shares (Net Income)	-	48
Interim interest 31 July - Institutional Shares W (Net Income)	18,840	1,635
Interim interest 31 July - Institutional Shares W (Net Accumulation)	814	233
Interim interest 31 July - Retail Advised Shares B (Net Income)	18	16
Interim interest 31 July - Retail Advised Shares B (Net Accumulation)	20	56
Interim interest 31 July - P Shares (Net Accumulation)	166	245
Interim interest 31 August - Sterling Income Shares	148,168	235,643
Interim interest 31 August - P Shares (Net Income)	-	43
Interim interest 31 August - Institutional Shares W (Net Income)	20,051	1,672
Interim interest 31 August - Institutional Shares W (Net Accumulation)	881	270
Interim interest 31 August - Retail Advised Shares B (Net Income)	18	14
Interim interest 31 August - Retail Advised Shares B (Net Accumulation)	16	10
Interim interest 31 August - P Shares (Net Accumulation)	164	135
Interim interest 30 September - Sterling Income Shares	128,477	229,418
Interim interest 30 September - Institutional Shares W (Net Income)	17,906	1,688
Interim interest 30 September - Institutional Shares W (Net Accumulation)	723	280
Interim interest 30 September - Retail Advised Shares B (Net Income)	16	14
Interim interest 30 September - Retail Advised Shares B (Net Accumulation)	15	10
Interim interest 30 September - P Shares (Net Accumulation)	146	132

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Interim interest 31 October - Sterling Income Shares	-	238,055
Interim interest 31 October - Institutional Shares W (Net Income)	-	1,879
Interim interest 31 October - Institutional Shares W (Net Accumulation)	-	374
Interim interest 31 October - Retail Advised Shares B (Net Income)	-	15
Interim interest 31 October - Retail Advised Shares B (Net Accumulation)	-	10
Interim interest 31 October - P Shares (Net Accumulation)	-	139
Interim interest 30 November - Sterling Income Shares	-	185,315
Interim interest 30 November - Institutional Shares W (Net Income)	-	24,594
Interim interest 30 November - Institutional Shares W (Net Accumulation)	-	374
Interim interest 30 November - Retail Advised Shares B (Net Income)	-	13
Interim interest 30 November - Retail Advised Shares B (Net Accumulation)	-	9
Interim interest 30 November - P Shares (Net Accumulation)	-	122
Interim interest 31 December - Sterling Income Shares	251,881	218,712
Interim interest 31 December - Institutional Shares W (Net Income)	27,755	29,531
Interim interest 31 December - Institutional Shares W (Net Accumulation)	1,935	522
Interim interest 31 December - Retail Advised Shares B (Net Income)	117	15
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	33	10
Interim interest 31 December - P Shares (Net Accumulation)	300	143
Interim interest 31 January - Sterling Income Shares	-	188,123
Interim interest 31 January - Institutional Shares W (Net Income)	-	26,036
Interim interest 31 January - Institutional Shares W (Net Accumulation)	-	506
Interim interest 31 January - Retail Advised Shares B (Net Income)	-	13
Interim interest 31 January - Retail Advised Shares B (Net Accumulation)	-	9
Interim interest 31 January - P Shares (Net Accumulation)	-	124
Interim interest 29 February - Sterling Income Shares	-	160,004
Interim interest 28 February - Institutional Shares W (Net Income)	-	27,833
Interim interest 28 February - Institutional Shares W (Net Accumulation)	-	739
Interim interest 28 February - Retail Advised Shares B (Net Income)	-	12
Interim interest 28 February - Retail Advised Shares B (Net Accumulation)	-	8
Interim interest 28 February - P Shares (Net Accumulation)	-	111
Interim interest 31 March - Sterling Income Shares	195,675	151,380
Interim interest 31 March - Institutional Shares W (Net Income)	31,139	28,016
Interim interest 31 March - Institutional Shares W (Net Accumulation)	2,176	727
Interim interest 31 March - Retail Advised Shares B (Net Income)	127	11
Interim interest 31 March - Retail Advised Shares B (Net Accumulation)	34	8
Interim interest 31 March - P Shares (Net Accumulation)	301	105
Interim interest 30 April - Sterling Income Shares	-	128,758
Interim interest 30 April - Institutional Shares W (Net Income)	-	21,768
Interim interest 30 April - Institutional Shares W (Net Accumulation)	-	400
Interim interest 30 April - Retail Advised Shares B (Net Income)	-	13
Interim interest 30 April - Retail Advised Shares B (Net Accumulation)	-	9
Interim interest 30 April - P Shares (Net Accumulation)	-	121
Interim interest 30 April - Institutional F Shares (Net Income)	-	n/a
Interim interest 30 April - Institutional F Shares (Net Accumulation)	-	n/a
Interim interest 31 May - Sterling Income Shares	-	140,565
Interim interest 31 May - Institutional Shares W (Net Income)	-	21,921
Interim interest 31 May - Institutional Shares W (Net Accumulation)	-	542
Interim interest 31 May - Retail Advised Shares B (Net Income)	-	15
Interim interest 31 May - Retail Advised Shares B (Net Accumulation)	-	10
Interim interest 31 May - P Shares (Net Accumulation)	-	136
Interim interest 31 May - Institutional F Shares (Net Income)	-	n/a
Interim interest 31 May - Institutional F Shares (Net Accumulation)	-	n/a

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Final interest 30 June - Sterling Income Shares	139,630	124,978
Final interest 30 June - Institutional Shares W (Net Income)	24,844	20,010
Final interest 30 June - Institutional Shares W (Net Accumulation)	2,888	898
Final interest 30 June - Retail Advised Shares B (Net Income)	93	14
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	25	9
Final interest 30 June - P Shares (Net Accumulation)	159	125
Final interest 30 June - Institutional F Shares (Net Income)	25	n/a
Final interest 30 June - Institutional F Shares (Net Accumulation)	25	n/a
Income tax withheld	303,455	625,385
	1,472,806	3,097,333
Amounts added on issue of shares	(2,148)	(12,693)
Amounts deducted on cancellation of shares	48,257	42,597
Net distributions for the year	1,518,915	3,127,237
Interest	10,436	-
Total finance costs	1,529,351	3,127,237

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	1,393,715	2,370,709
ACD's periodic charge less tax relief paid from capital	123,559	756,217
Equalisation on conversions	1,612	292
Undistributed revenue brought forward	29	48
Undistributed revenue carried forward	-	(29)
	1,518,915	3,127,237

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	566,355	1,221,680
Amount receivable for issue of shares	547	12,133
Amounts receivable on open currency contracts	469,743	-
Sales awaiting settlement	340,398	517,342
	1,377,043	1,751,155

Notes to the Financial Statements (continued)

8 Cash & bank balances

	30/06/2015 £	30/06/2014 £
Cash held at bank	380,455	-
Cash held in BNY Mellon Sterling Liquidity Fund	70,000	598,896
	450,455	598,896
Overdrawn cash and bank balances		
Bank overdraft	(209,671)	-
	(209,671)	-

9 Creditors

	30/06/2015 £	30/06/2014 £
Accrued expenses	43,883	60,551
Amount payable for cancellation of shares	58,698	179,625
Amounts payable on open currency contracts	469,753	-
Income tax payable	54,849	140,878
Purchases awaiting settlement	120,827	408,378
	748,010	789,432

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £93,105 (30/06/14: £217,392).

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	2,447,539	25,198,487	10,389,206	38,035,232	4.66	18.49
Europe	1,480,349	2,984,902	295,754	4,761,005	4.77	13.61
United States of America	782,419	3,597,214	787,033	5,166,666	5.42	21.84
	4,710,307	31,780,603	11,471,993	47,962,903		
Liabilities						
United Kingdom	-	-	(1,221,072)	(1,221,072)		
Europe	(98,612)	-	(4,662,601)	(4,761,213)		
United States of America	(111,059)	-	(5,077,914)	(5,188,973)		
	(209,671)	-	(10,961,587)	(11,171,258)		
Total	4,500,636	31,780,603	510,406	36,791,645		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate	Fixed Rate	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	Financial Assets £	Financial Assets £	£	£		
Assets						
United Kingdom	7,115,012	42,012,606	11,271,861	60,399,479	5.87	11.56
Europe	1,604,705	5,272,709	3,075,152	9,952,566	6.23	5.73
Switzerland	-	281,210	6,677	287,887	6.75	5.00
	8,719,717	47,566,525	14,353,690	70,639,932		
Liabilities						
United Kingdom	-	-	(3,356,516)	(3,356,516)		
Europe	-	-	(9,731,637)	(9,731,637)		
Switzerland	-	-	(244,146)	(244,146)		
	-	-	(13,332,299)	(13,332,299)		
Total	8,719,717	47,566,525	1,021,391	57,307,633		

Market Risk

The Fund uses Value at Risk (VaR) to calculate the likelihood of the Fund (including derivatives) falling in value by more than a particular level.

Under normal market conditions, VaR captures the potential fall in the value of the portfolio over a given holding period and to a given level of statistical confidence.

The Fund uses the Relative VaR model, where it limits its VaR to twice that of a reference portfolio, with a 99% confidence level and a 5 day holding period. The VaR model utilises an historical recalculation basis using at least one year of daily returns.

The holding period (5 trading days) is the time horizon over which the fall in value of individual security prices is projected.

As at the year ended 30 June 2015 the Fund had a Relative VaR of 1.11 (VaR was not used as a measurement in the prior year).

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Swaps	Total (£)
Barclays	-	(60,430)	(60,430)
Citi	-	(21,911)	(21,911)
Credit Suisse	-	17,364	17,364
Goldman Sachs	15,253	-	15,253
Merrill Lynch	-	(19,805)	(19,805)
Morgan Stanley	-	(52,680)	(52,680)
Royal Bank of Scotland	65,802	-	65,802
Salomon Brothers	37,036	-	37,036
UBS	17,033	-	17,033
	135,124	(137,462)	(2,338)

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil. Collateral pledged to these counterparties in respect of derivative contracts was nil.

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Derivative risk

The Fund enters into derivative transactions in the form of forward foreign currency contracts, credit default swaps, interest rate swaps and futures. Forward currency contracts are used to manage currency risk arising from holdings of overseas securities.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	36,453,280	360,880	36,814,160	57,042,963
Europe	53,297	(53,505)	(208)	220,929
Switzerland	-	-	-	43,741
United States of America	(420,157)	397,850	(22,307)	-
Total	36,086,420	705,225	36,791,645	57,307,633

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, there were no investments subject to stock lending agreements.

As at 30 June 2014, £2,400,754 of investments were subject to stock lending agreements and the Fund held £2,520,792 in collateral. The collateral was held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £1,439 (30/06/14: £3,285) and £288 (30/06/14: £657) respectively.

15 Shareholders' funds

The Fund currently has eight share classes; Sterling Income Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation), P Shares (Net Accumulation), Institutional F Shares (Net Income) and Institutional F Shares (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.00%	0.10%
Institutional Shares W (Net Income)	0.50%	0.03%
Institutional Shares W (Net Accumulation)	0.50%	0.03%
Retail Advised Shares B (Net Income)	0.75%	0.10%
Retail Advised Shares B (Net Accumulation)	0.75%	0.10%
P Shares (Net Accumulation)	1.00%	0.03%
Institutional F Shares (Net Income)	0.35%	0.03%
Institutional F Shares (Net Accumulation)	0.35%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 37. The distributions are given in the distribution statements on page 45 to 52. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT EQUITY INCOME FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: Insight Investment Management (Global) Limited

Fund Size: £213.28m

Comparative Index: FTSE All-Share TR

Sector: The Investment Association UK Equity Income

Yield as at 30 June 2015:

Sterling Income Shares 4.08%

Sterling Accumulation Shares 4.03%

Institutional Shares W (Net Income) 4.07%

Institutional Shares W (Net Accumulation) 4.02%

Retail Advised Shares B (Net Income) 4.07%

Retail Advised Shares B (Net Accumulation) 4.02%

Key Dates: Fund Launch 09 February 2013

Investment Objective

The objective of the Fund is to provide an above average and increasing income, together with long term capital growth.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	5.35%	13.53%	n/a	n/a	n/a
Sterling Accumulation Shares*	5.36%	13.52%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	6.22%	14.49%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	6.22%	14.46%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.89%	14.12%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.88%	14.09%	n/a	n/a	n/a
FTSE All-Share TR	2.60%	13.12%	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 5.35% against 2.60% for the FTSE All-Share TR.

Over the 12-month period, the Fund made a positive return that outperformed its comparative index and generated an attractive level of income. Strong stock selection was instrumental in delivering the portfolio's robust performance over the year. An overweight position in International Consolidated Airlines Group supported strong returns as the European airline benefited from the drop in the oil price over the period. Other travel and leisure stocks, such as cruise ship operator Carnival, another of the Fund's overweight positions, also performed well in this environment. An overweight position in Dixons Carphone also boosted performance relative to the index. The company, created from Dixons Retail and Carphone Warehouse, initially performed well during the period under review on continued positive sentiment following the merger in August 2014, while also benefiting from the collapse of former long-term rival Phones 4U later in September. Towards the end of the period, relative performance was further boosted as domestically focused stocks broadly fared better than large-cap stocks. (Large caps are shares in companies with a large amount of share capital.) Overweight positions in ITV and Intermediate Capital Group and a zero holding in BHP Billiton also added value over the 12-month period. The Fund's overweight position in Rio Tinto, BP and Rolls Royce detracted from relative returns.

Activity over the period was relatively low. This is in keeping with the investment process, with a preferred focus on high-quality companies with attractive dividends. Exposure to Legal & General, Aviva, Reed Elsevier, ITV, International Consolidated Airlines Group and BP was incrementally reduced over the period following strong share-price performance. The Fund incrementally added exposure to Rolls Royce, Royal Bank of Scotland and Barclays over the period. The Fund manager believes that UK banks RBS and Barclays look attractive in comparison to the sector. A new position was opened in cruise operator Carnival in July owing to the manager's optimism over the travel and leisure sector in the wake of stronger economic data, particularly from the UK and US. Activity also included the sale of a holding in US telecommunications company Verizon: the holding was in the portfolio after Vodafone Group disposed of its stake in the company earlier in 2014. The manager initiated an underweight position in Glencore towards the end of the period given that the sector has broadly weakened amid falling commodity prices and concerns about an economic slowdown in China.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Carnival	BP
Glencore	Verizon Communications
Rexam	Legal & General
Rolls-Royce	ITV
Royal Mail	International Consolidated Airlines
Vodafone	Reed Elsevier
Barclays	Aviva
Ladbroke	BT
British Sky Broadcasting	Compass
Pearson	GlaxoSmithKline

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2013 (from 9 February)	163.95	142.03	5.7376
2014	165.71	146.70	6.1812
2015	174.54	156.74	3.8920
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	474.84	399.11	16.3538
2014	497.04	441.95	18.2790
2015	533.81	475.33	11.8704
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 9 February)	141.94	122.07	4.9444
2014	144.00	127.84	5.3890
2015	152.64	136.86	3.4047
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 9 February)	533.64	445.25	18.3015
2014	562.81	499.90	20.6096
2015	606.86	538.76	13.4786
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	115.66	100.00	4.0297
2014	117.15	103.90	4.3881
2015	123.89	111.15	2.7631
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	119.19	100.00	4.0844
2014	125.34	111.37	4.6177
2015	134.94	119.93	2.9982

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	37,614,015	145.52	25,848,465
30/06/2014	38,444,538	160.00	24,028,134
30/06/2015	35,252,291	160.13	22,015,320
Sterling Accumulation Shares		Pence	
30/06/2013	156,281,257	418.11	37,378,120
30/06/2014	161,784,852	477.01	33,916,156
30/06/2015	151,646,962	497.22	30,499,056
Institutional Shares W (Net Income)		Pence	
30/06/2013	49,618	125.46	39,550
30/06/2014	1,038,219	139.09	746,443
30/06/2015	2,305,395	140.35	1,642,606

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares W (Net Accumulation)			
30/06/2013	20,448,106	Pence 467.94	4,369,806
30/06/2014	22,209,761	538.25	4,126,253
30/06/2015	23,942,697	565.67	4,232,657
Retail Advised Shares B (Net Income)			
30/06/2013	5,120	Pence 102.40	5,000
30/06/2014	93,069	113.15	82,252
30/06/2015	93,613	113.81	82,252
Retail Advised Shares B (Net Accumulation)			
30/06/2013	5,235	Pence 104.70	5,000
30/06/2014	35,556	120.04	29,621
30/06/2015	37,246	125.74	29,621

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.63	1.63
Sterling Accumulation Shares	1.63	1.63
Institutional Shares W (Net Income)	0.81	0.81
Institutional Shares W (Net Accumulation)	0.81	0.81
Retail Advised Shares B (Net Income)	1.13	1.13
Retail Advised Shares B (Net Accumulation)	1.13	1.14

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Aerospace & Defence 2.28% (2.07%)			
Rolls-Royce	550,000	4,785,000	2.24
Rolls Royce 'C'	77,550,000	77,550	0.04
Banks 12.43% (11.38%)			
Barclays	2,650,000	6,903,250	3.24
HSBC	1,600,000	9,121,600	4.28
Lloyds Banking	6,300,000	5,369,490	2.52
Royal Bank of Scotland	750,000	2,635,500	1.24
Standard Chartered	240,000	2,444,400	1.15
Chemicals 0.54% (0.61%)			
Elementis	450,000	1,154,250	0.54
Construction & Materials 0.72% (0.38%)			
Marshalls	490,000	1,528,800	0.72
Electricity 0.83% (0.81%)			
SSE	115,288	1,770,824	0.83
Financial Services 5.98% (3.97%)			
3i	680,000	3,508,800	1.65
Arbuthnot Banking	114,031	1,573,628	0.74
ICAP	428,500	2,266,765	1.06
Intermediate Capital	550,000	3,016,750	1.41
Invesco	100,000	2,381,891	1.12
Fixed Line Telecommunications 2.53% (2.75%)			
BT	1,200,000	5,401,800	2.53
Food & Drug Retailers 1.42% (1.37%)			
WM Morrison Supermarkets	1,675,000	3,026,725	1.42
Gas, Water & Multiutilities 5.17% (5.20%)			
Centrica	1,310,000	3,455,780	1.62
National Grid	576,436	4,710,635	2.21
Severn Trent	65,000	1,352,650	0.63
United Utilities	170,000	1,516,400	0.71
General Industrials 2.31% (1.19%)			
Rexam	650,000	3,588,000	1.68
Royal Mail	260,000	1,336,400	0.63
General Retailers 2.12% (1.37%)			
Carpentright	164,697	1,003,005	0.47
Dixons Carphone	775,000	3,513,075	1.65
Household Goods & Home Construction - 0.06% (0.04%)			
Airea	698,265	125,688	0.06
Life Insurance 8.52% (9.25%)			
Aviva	1,192,800	5,873,347	2.75
Legal & General	2,000,000	4,976,000	2.33
Old Mutual	450,000	906,300	0.42
Prudential	420,000	6,436,500	3.02

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Media 7.91% (7.72%)			
British Sky Broadcasting	450,000	4,662,000	2.19
ITV	1,800,000	4,739,400	2.22
Pearson	250,000	3,012,500	1.41
Reed Elsevier	430,000	4,450,500	2.09
Mining 5.12% (5.03%)			
Glencore	575,000	1,467,975	0.69
Rio Tinto	361,800	9,457,452	4.43
Mobile Telecommunications 3.66% (4.04%)			
Vodafone	3,400,000	7,814,900	3.66
Non-Life Insurance 0.16% (0.16%)			
RSA Insurance 7.375% Perpetual Preferred Shares	301,943	342,705	0.16
Oil & Gas Producers 11.89% (16.62%)			
BG	156,757	1,660,056	0.78
BP	2,500,000	10,502,500	4.92
Royal Dutch Shell 'B'	730,500	13,200,135	6.19
Pharmaceuticals & Biotechnology 7.65% (8.86%)			
AstraZeneca	235,000	9,444,650	4.43
GlaxoSmithKline	520,000	6,877,000	3.22
Real Estate 1.09% (0.93%)			
Great Portland Estates	300,000	2,328,000	1.09
Support Services 2.59% (2.09%)			
Connect	449,182	632,224	0.30
Wolseley	120,000	4,875,600	2.29
Tobacco 5.00% (4.97%)			
British American Tobacco	160,000	5,463,200	2.56
Imperial Tobacco	170,000	5,212,200	2.44
Travel & Leisure 8.72% (7.85%)			
Carnival	90,000	2,923,200	1.37
Compass	500,000	5,265,000	2.47
InterContinental Hotels	166,153	4,263,486	2.00
International Consolidated Airlines	800,000	3,956,000	1.85
Ladbroke's	1,700,000	2,203,200	1.03
Portfolio of investments		210,514,686	98.70
Net current assets		2,763,518	1.30
Total Net Assets		213,278,204	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		4,217,656	24,813,296
Revenue	2	8,987,045		8,397,197
Expenses	3	(3,407,680)		(3,480,196)
Finance costs: Interest	5	(20)		(1,210)
Net revenue before taxation		5,579,345		4,915,791
Taxation	4	(4,722)		(7,181)
Net revenue after taxation			5,574,623	4,908,610
Total return before distributions			9,792,279	29,721,906
Finance costs: Distributions	5		(8,979,720)	(8,377,509)
Change in net assets attributable to Shareholders from investment activities			812,559	21,344,397

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		223,605,995	214,403,351
Amounts receivable on issue of shares	2,810,497		3,940,802
Amounts payable on cancellation of shares	(21,264,498)		(22,824,686)
		(18,454,001)	(18,883,884)
Stamp Duty Reserve Tax		-	(70,463)
Change in net assets attributable to Shareholders from investment activities (see above)		812,559	21,344,397
Retained distributions on accumulation shares		7,296,475	6,808,914
Unclaimed distributions		17,176	3,680
Closing net assets attributable to Shareholders		213,278,204	223,605,995

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			210,514,686		220,617,978
Debtors	7	2,671,492		1,091,939	
Cash and bank balances	8	<u>2,603,977</u>		<u>3,120,408</u>	
Total other assets			<u>5,275,469</u>		<u>4,212,347</u>
Total assets			215,790,155		224,830,325
LIABILITIES					
Creditors	9	(2,008,459)		(744,673)	
Distribution payable on income shares		<u>(503,492)</u>		<u>(479,657)</u>	
Total other liabilities			<u>(2,511,951)</u>		<u>(1,224,330)</u>
Total liabilities			(2,511,951)		(1,224,330)
Net assets attributable to Shareholders			<u>213,278,204</u>		<u>223,605,995</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	2.3793	0.2379	2.1414	0.0000	2.1414	1.9389
Group 2	1.1527	0.1153	1.0374	1.1040	2.1414	1.9389
Sterling Accumulation Shares						
Group 1	7.2908	0.7291	6.5617	0.0000	6.5617	5.6967
Group 2	4.6908	0.4691	4.2217	2.3400	6.5617	5.6967
Institutional Shares W (Net Income)						
Group 1	2.0831	0.2083	1.8748	0.0000	1.8748	1.6942
Group 2	0.7423	0.0742	0.6681	1.2067	1.8748	1.6942
Institutional Shares W (Net Accumulation)						
Group 1	8.2850	0.8285	7.4565	0.0000	7.4565	6.4086
Group 2	5.0590	0.5059	4.5531	2.9034	7.4565	6.4086
Retail Advised Shares B (Net Income)						
Group 1	1.6900	0.1690	1.5210	0.0000	1.5210	1.3677
Group 2	0.0561	0.0056	0.0505	1.4705	1.5210	1.3677
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8424	0.1842	1.6582	0.0000	1.6582	1.4333
Group 2	1.8424	0.1842	1.6582	0.0000	1.6582	1.4333

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	1.9451	0.1945	1.7506	0.0000	1.7506	1.5140
Group 2	0.5756	0.0576	0.5180	1.2326	1.7506	1.5140
Sterling Accumulation Shares						
Group 1	5.8986	0.5899	5.3087	0.0000	5.3087	4.4177
Group 2	4.5313	0.4531	4.0782	1.2305	5.3087	4.4177
Institutional Shares W (Net Income)						
Group 1	1.6999	0.1700	1.5299	0.0000	1.5299	1.3197
Group 2	0.9879	0.0988	0.8891	0.6408	1.5299	1.3197
Institutional Shares W (Net Accumulation)						
Group 1	6.6912	0.6691	6.0221	0.0000	6.0221	4.9706
Group 2	4.8611	0.4861	4.3750	1.6471	6.0221	4.9706

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
						Prior Period 31/03/2014
Retail Advised Shares B (Net Income)						
Group 1	1.3801	0.1380	1.2421	0.0000	1.2421	1.0886
Group 2	1.3801	0.1380	1.2421	0.0000	1.2421	1.0886
Retail Advised Shares B (Net Accumulation)						
Group 1	1.4889	0.1489	1.3400	0.0000	1.3400	1.1276
Group 2	1.4889	0.1489	1.3400	0.0000	1.3400	1.1276

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
						Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.1868	0.1187	1.0681	0.0000	1.0681	1.2176
Group 2	0.2222	0.0222	0.2000	0.8681	1.0681	1.2176
Sterling Accumulation Shares						
Group 1	3.5813	0.3581	3.2232	0.0000	3.2232	3.5266
Group 2	0.4502	0.0450	0.4052	2.8180	3.2232	3.5266
Institutional Shares W (Net Income)						
Group 1	1.0337	0.1034	0.9303	0.0000	0.9303	1.0531
Group 2	0.4391	0.0439	0.3952	0.5351	0.9303	1.0531
Institutional Shares W (Net Accumulation)						
Group 1	4.0538	0.4054	3.6484	0.0000	3.6484	3.9590
Group 2	2.4458	0.2446	2.2012	1.4472	3.6484	3.9590
Retail Advised Shares B (Net Income)						
Group 1	0.8410	0.0841	0.7569	0.0000	0.7569	0.8576
Group 2	0.8410	0.0841	0.7569	0.0000	0.7569	0.8576
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9029	0.0903	0.8126	0.0000	0.8126	0.8840
Group 2	0.9029	0.0903	0.8126	0.0000	0.8126	0.8840

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
						Prior Period 30/09/2013
Sterling Income Shares						
Group 1	1.8447	0.1845	1.6602	0.0000	1.6602	1.2359
Group 2	0.7717	0.0772	0.6945	0.9657	1.6602	1.2359

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Accumulation Shares						
Group 1	5.4904	0.5490	4.9414	0.0000	4.9414	3.5497
Group 2	4.0124	0.4012	3.6112	1.3302	4.9414	3.5497
Institutional Shares W (Net Income)						
Group 1	1.6053	0.1605	1.4448	0.0000	1.4448	1.0665
Group 2	0.8700	0.0870	0.7830	0.6618	1.4448	1.0665
Institutional Shares W (Net Accumulation)						
Group 1	6.2022	0.6202	5.5820	0.0000	5.5820	3.9767
Group 2	3.0850	0.3085	2.7765	2.8055	5.5820	3.9767
Retail Advised Shares B (Net Income)						
Group 1	1.3054	0.1305	1.1749	0.0000	1.1749	0.8697
Group 2	1.3054	0.1305	1.1749	0.0000	1.1749	0.8697
Retail Advised Shares B (Net Accumulation)						
Group 1	1.3824	0.1382	1.2442	0.0000	1.2442	0.8886
Group 2	1.3824	0.1382	1.2442	0.0000	1.2442	0.8886

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the period comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	4,232,881	24,875,941
Currency exchange gains/(losses)	8,864	(26,495)
Activity charges	(24,089)	(36,150)
Net capital gains	4,217,656	24,813,296

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	820	1,115
Overseas dividends	514,415	182,552
Property income distribution	11,970	7,764
Stock lending	27,428	23,946
UK dividends	8,432,412	8,181,820
Total revenue	8,987,045	8,397,197

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	3,159,331	3,224,694
Administration fees	205,588	210,562
Safe custody charges	6,094	6,205
	3,371,013	3,441,461
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	27,850	28,021
	27,850	28,021
Other expenses:		
Auditor's remuneration: - Audit services (audit fee)†	6,243	5,938
Financial Conduct Authority fee	277	228
Legal fees	2,297	4,548
	8,817	10,714
Total expenses	3,407,680	3,480,196

† The Audit services (audit fee) net of VAT for 2015 is £5,100 (2014: £5,050).

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in period:		
Income tax expense	4,722	7,181
	<u>4,722</u>	<u>7,181</u>
Total current tax charge (see note 4b)	<u>4,722</u>	<u>7,181</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	5,579,345	4,915,791
Corporation tax @ 20%	1,115,869	983,158
Effects of:		
Dividends not subject to corporation tax	(1,789,438)	(1,671,357)
Excess management expenses	673,569	688,199
Income tax expense	4,722	7,181
Total current tax charge (see note 4a)	<u>4,722</u>	<u>7,181</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £8,100,635 (30/06/14: £4,732,793), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £1,620,128 (30/06/14: £946,559).

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 30 September - Sterling Income Shares	389,779	313,594
Interim dividend 30 September - Sterling Accumulation Shares	1,627,811	1,287,957
Interim dividend 30 September - Institutional Shares W (Net Income)	13,443	990
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	232,956	165,796
Interim dividend 30 September - Retail Advised Shares B (Net Income)	966	44
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	369	44
Interim dividend 31 December - Sterling Income Shares	248,080	304,742
Interim dividend 31 December - Sterling Accumulation Shares	1,045,074	1,253,953
Interim dividend 31 December - Institutional Shares W (Net Income)	10,317	3,238
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	151,837	166,008
Interim dividend 31 December - Retail Advised Shares B (Net Income)	623	44
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	241	44
Interim dividend 31 March - Sterling Income Shares	392,257	372,720
Interim dividend 31 March - Sterling Accumulation Shares	1,664,153	1,530,817
Interim dividend 31 March - Institutional Shares W (Net Income)	22,200	5,920
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	256,278	206,979
Interim dividend 31 March - Retail Advised Shares B (Net Income)	1,022	895
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	397	334

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	471,446	465,885
Final dividend 30 June - Sterling Accumulation Shares	2,001,259	1,932,120
Final dividend 30 June - Institutional Shares W (Net Income)	30,795	12,647
Final dividend 30 June - Institutional Shares W (Net Accumulation)	315,609	264,438
Final dividend 30 June - Retail Advised Shares B (Net Income)	1,251	1,125
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	491	424
	8,878,654	8,290,758
Amounts added on issue of shares	(12,189)	(20,359)
Amounts deducted on cancellation of shares	113,255	107,110
Net distributions for the year	8,979,720	8,377,509
Interest	20	1,210
Total finance costs	8,979,740	8,378,719

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	5,574,623	4,908,610
Capitalised fees less tax relief paid from capital	3,405,206	3,468,899
Equalisation on conversions	(109)	-
	8,979,720	8,377,509

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	972,526	890,688
Amount receivable for issue of shares	16,498	198,923
Overseas tax recoverable	-	2,328
Sales awaiting settlement	1,682,468	-
	2,671,492	1,091,939

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	2,603,977	3,120,408
	2,603,977	3,120,408

Notes to the Financial Statements (continued)**9 Creditors**

	30/06/2015	30/06/2014
	£	£
Accrued expenses	301,767	307,133
Amount payable for cancellation of shares	201,343	437,540
Purchases awaiting settlement	1,505,349	-
	<u>2,008,459</u>	<u>744,673</u>

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £480,143 (30/06/14: £539,341 due from the ACD).

11 Financial instruments**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivatives

The Fund may enter into derivative transactions in the form of forward foreign currency contracts. The purpose of these financial instruments is efficient portfolio management. Forward currency contracts may be used to manage currency risk arising from holdings of overseas securities.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	208,132,795	4,158,159	212,290,954	218,154,598
United States of America	2,381,891	(1,394,641)	987,250	5,451,397
Total	<u>210,514,686</u>	<u>2,763,518</u>	<u>213,278,204</u>	<u>223,605,995</u>

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	10,820,772	25,764,919
Commissions	21,438	9,549
Taxes	<u>53,710</u>	<u>23,930</u>
Total purchase costs	75,148	33,479
Gross purchases total	<u>10,895,920</u>	<u>25,798,398</u>
Analysis of total sales proceeds:		
Sales before transaction costs	25,410,772	44,005,576
Commissions	(49,883)	(40,509)
Taxes	<u>(56)</u>	<u>(120)</u>
Total sales costs	(49,939)	(40,629)
Total sales net of transaction costs	<u>25,360,833</u>	<u>43,964,947</u>

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date.

14 Stock lending

As at 30 June 2015, £22,225,126 of investments were subject to stock lending agreements and the Fund held £24,460,812 in collateral. The collateral is held 0.42% in debt securities and 99.58% in equity securities.

As at 30 June 2014, £2,328,729 of investments were subject to stock lending agreements and the Fund held £2,454,966 in collateral. The collateral is held equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £34,285 (30/06/14: £29,933) and £6,857 (30/06/14: £5,987) respectively.

15 Shareholders' Funds

The Fund currently has six share classes; Sterling Income Shares, Sterling Accumulation Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Sterling Accumulation Shares	1.50%	0.10%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 63 to 64. The distributions are given in the distribution statements on pages 69 to 71. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT EQUITY INCOME BOOSTER FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£89.72m
Sector:	The Investment Association UK Equity Income
Yield as at 30 June 2015:	
Sterling Income Shares	8.47%
Sterling Accumulation Shares	7.88%
Institutional Shares W (Net Income)	8.42%
Institutional Shares W (Net Accumulation)	7.84%
Retail Advised Shares B (Net Income)	8.43%
Retail Advised Shares B (Net Accumulation)	7.85%
Key Dates: Fund Launch	09 February 2013

Investment Objective

The objective of the Fund is to provide an enhanced level of income with potential for capital growth.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	3.97%	11.60%	n/a	n/a	n/a
Sterling Accumulation Shares*	3.98%	11.60%	n/a	n/a	n/a
X Shares (Net Accumulation)*	n/a	13.02%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	4.65%	12.37%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.67%	12.28%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	4.38%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	4.38%	n/a	n/a	n/a	n/a
FTSE All-Share TR	2.60%	13.12%	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 3.98% against 2.60% for the FTSE All-Share TR.

Over the 12-month period, the Fund made a positive return that outperformed its comparative index and generated an attractive level of income. Stock selection was instrumental in delivering the portfolio's robust performance over the year. Overweight positions in DS Smith and Carnival were the largest contributors to relative performance over the period. Domestically focused small- and mid-cap stocks, such as DS Smith, fared better than large-cap stocks, particularly over the last six months. (Small and mid caps refer to companies with small and medium amounts of share capital, respectively.) Similarly, an overweight position in Dixons Carphone also boosted returns relative to the index. The company, created from Dixons Retail and Carphone Warehouse, also performed well early in the period under review on continued positive sentiment following the merger in August 2014, while also benefiting from the collapse of former long-term rival Phones 4U later in September. Cruise ship operator Carnival performed strongly as the travel and leisure sector broadly benefited from the fall in the oil price over the period. Similarly, International Consolidated Airlines Group, another of the Fund's overweight holdings, performed well relative to the index over the period. On the negative side, overweight positions in Rio Tinto and engineering firm IMI were the largest detractors from performance relative to the index.

The Fund's call-option strategy had a negative impact on performance over the year. (A call option is an agreement that gives an investor the right – but not the obligation – to buy a stock, bond, commodity or other instrument at a specified price within a specific time frame.) However, over the longer term, the strategy has proved instrumental in boosting yield and reducing portfolio volatility without detracting from overall total returns.

The Fund opened a new position in cruise operator Carnival in July and added to this position over the period owing to the manager's optimism over the travel and leisure sector in the wake of stronger economic data, particularly from the UK and US. Activity during the period also included the sale of a holding in US telecommunications company Verizon in August: the holding was in the portfolio after Vodafone Group disposed of its stake in the company earlier this year. Exposure to Aviva was increased owing to our view that the stock looked oversold following the negative reaction to the announced takeover of Friends Life in November. The Fund incrementally added exposure to Rolls Royce, Royal Bank of Scotland and Barclays over the period. The Fund manager believes that UK banks RBS and Barclays look attractive in comparison to the sector. The Fund added to its holding in Royal Mail after peers' talks to fund a rival postal delivery service ended. Exposure to Schroders, Reed Elsevier, International Consolidated Airlines Group and Legal & General were trimmed to capture profits following strong share-price performance.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases

Carnival
IMI
HSBC
Rio Tinto
AstraZeneca
Rolls Royce
Royal Mail
National Grid
Wm Morrison Supermarkets
Royal Dutch Shell class 'B' shares

Sales

Verizon Communications
Legal & General
Dixons Carphone
Imperial Tobacco
Reed Elsevier
Aviva
ITV
Vodafone Group
Vodafone
International Consolidated Airline

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2013 (from 9 February)	143.95	129.83	9.8320
2014	143.36	124.99	11.1920
2015	142.03	130.64	5.3518
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	208.96	181.77	13.8598
2014	216.56	195.39	16.9847
2015	231.06	207.92	8.6324
X Shares (Net Accumulation)**	Pence	Pence	Pence
2013 (from 9 February)	164.46	141.86	10.8404
2014 (to 15 August 2014)	169.43	157.49	8.4150
**X Shares (Net Accumulation) share class closed 15 August 2014.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 9 February)	147.91	133.10	10.0779
2014	147.51	129.26	11.5651
2015	147.32	135.34	5.5501
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 9 February)	216.50	187.71	14.3160
2014	225.69	203.40	17.6551
2015	241.50	216.84	9.0162
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	107.99	97.26	7.3652
2014	107.63	94.11	8.4134
2015	107.14	98.47	4.0367
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	114.83	99.69	7.6009
2014	119.43	107.70	9.3453
2015	127.65	114.72	4.7679

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	41,015,603	132.14	31,040,662
30/06/2014	44,147,504	136.50	32,343,144
30/06/2015	37,738,987	130.40	28,940,836
Sterling Accumulation Shares		Pence	
30/06/2013	20,197,734	187.07	10,796,972
30/06/2014	18,634,395	209.57	8,891,732
30/06/2015	14,517,407	215.83	6,726,216

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
X Shares (Net Accumulation)*			
30/06/2013	6,429,544	Pence 146.30	4,394,711
30/06/2014	3,758,749	165.97	2,264,711
*X Shares (Net Accumulation) share class closed 15 August 2014.			
Institutional Shares W (Net Income)			
30/06/2013	1,439,029	Pence 135.48	1,062,179
30/06/2014	12,405,070	140.89	8,804,739
30/06/2015	32,693,410	135.49	24,129,227
Institutional Shares W (Net Accumulation)			
30/06/2013	201,168	Pence 193.20	104,126
30/06/2014	2,866,088	217.74	1,316,261
30/06/2015	4,718,241	225.73	2,090,209
Retail Advised Shares B (Net Income)			
30/06/2013	4,981	Pence 98.99	5,032
30/06/2014	36,797	102.66	35,844
30/06/2015	40,503	98.47	41,133
Retail Advised Shares B (Net Accumulation)			
30/06/2013	5,130	Pence 102.60	5,000
30/06/2014	15,641	115.37	13,557
30/06/2015	16,172	119.29	13,557

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.68	1.67
Sterling Accumulation Shares	1.68	1.67
X Shares (Net Accumulation)*	0.09	0.09
Institutional Shares W (Net Income)	0.87	0.85
Institutional Shares W (Net Accumulation)	0.87	0.85
Retail Advised Shares B (Net Income)	1.19	1.18
Retail Advised Shares B (Net Accumulation)	1.18	1.18

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*X Shares (Net Accumulation) share class closed 15 August 2014.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Aerospace & Defence 4.17% (3.83%)			
BAE Systems	360,000	1,624,320	1.81
Rolls-Royce	240,000	2,088,000	2.33
Rolls Royce 'C' shares	30,315,000	30,315	0.03
Banks 11.30% (9.40%)			
Barclays	1,100,000	2,865,500	3.19
HSBC	600,000	3,420,600	3.81
Lloyds Banking	1,800,000	1,534,140	1.71
Royal Bank of Scotland	370,000	1,300,180	1.45
Standard Chartered	100,000	1,018,500	1.14
Financial Services 7.15% (4.05%)			
3i	280,000	1,444,800	1.61
ICAP	170,000	899,300	1.00
IMI	120,000	1,348,800	1.50
Intermediate Capital	150,000	822,750	0.92
Schroders	60,000	1,905,000	2.12
Fixed Line Telecommunications 2.11% (3.58%)			
BT	420,000	1,890,630	2.11
Food & Drug Retailers 1.47% (1.01%)			
Wm Morrison Supermarkets	730,000	1,319,110	1.47
Gas, Water & Multiutilities 5.13% (5.17%)			
Centrica	575,000	1,516,850	1.69
National Grid	180,000	1,470,960	1.64
Pennon	90,000	729,450	0.81
Severn Trent	25,000	520,250	0.58
United Utilities	41,141	366,978	0.41
General Industrials 3.66% (3.25%)			
DS Smith	450,000	1,736,100	1.94
Rexam	280,000	1,545,600	1.72
General Retailers 1.77% (1.78%)			
Dixons Carphone	350,000	1,586,550	1.77
Industrial Engineering 0.00% (0.73%)			
Industrial Transportation 1.03% (0.00%)			
Royal Mail	180,000	925,200	1.03
Life Insurance 7.65% (8.01%)			
Aviva	440,000	2,166,560	2.42
Legal & General	780,000	1,940,640	2.16
Prudential	180,000	2,758,500	3.07
Media 8.43% (7.65%)			
British Sky Broadcasting	175,000	1,813,000	2.02
ITV	750,000	1,974,750	2.20
Pearson	150,000	1,807,500	2.02
Reed Elsevier	190,000	1,966,500	2.19

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Mining 5.42% (5.75%)			
Glencore	440,000	1,123,320	1.25
Lonmin	4,424	4,950	0.00
Rio Tinto	143,000	3,738,020	4.17
Mobile Telecommunications 3.59% (3.87%)			
Vodafone	1,400,000	3,217,900	3.59
Non-Life Insurance 0.62% (0.68%)			
RSA Insurance	140,000	555,940	0.62
Oil & Gas Producers 11.79% (15.11%)			
BG	145,000	1,535,550	1.71
BP	1,020,000	4,285,020	4.78
Royal Dutch Shell class 'A' shares	160,000	2,858,400	3.19
Royal Dutch Shell class 'B' shares	105,000	1,897,350	2.11
Pharmaceuticals & Biotechnology 6.69% (7.30%)			
AstraZeneca	95,000	3,818,050	4.26
GlaxoSmithKline	165,000	2,182,125	2.43
Real Estate Investment Trusts 1.52% (1.29%)			
British Land	70,000	555,450	0.62
Segro	200,000	811,400	0.90
Support Services 2.90% (2.37%)			
Electrocomponents	270,000	571,590	0.64
Wolseley	50,000	2,031,500	2.26
Tobacco 3.91% (4.22%)			
British American Tobacco	40,000	1,365,800	1.52
Imperial Tobacco	70,000	2,146,200	2.39
Travel & Leisure 8.67% (6.92%)			
Carnival	52,000	1,688,960	1.88
Compass	180,000	1,895,400	2.11
InterContinental Hotels	60,000	1,539,600	1.72
International Consolidated Airlines	340,000	1,681,300	1.88
Ladbroke	750,000	972,000	1.08
Portfolio of investments		88,813,158	98.98
Net current assets		911,540	1.02
Total Net Assets		89,724,698	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Industrial Engineering and Derivatives category, which, at 30 June 2014, represented 0.73% and (0.56%) respectively of the Total Net Assets of the Fund.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital (losses)/gains	1		(3,111,522)	3,313,154
Revenue	2	7,215,579		6,993,891
Expenses	3	(1,187,919)		(1,136,429)
Finance costs: Interest	5	-		(2,519)
Net revenue before taxation		6,027,660		5,854,943
Taxation	4	(561,931)		(640,699)
Net revenue after taxation			5,465,729	5,214,244
Total return before distributions			2,354,207	8,527,398
Finance costs: Distributions	5		(6,416,404)	(6,124,157)
Change in net assets attributable to Shareholders from investment activities			(4,062,197)	2,403,241

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		81,864,244	69,293,189
Amounts receivable on issue of shares	25,243,691		24,165,299
Amounts payable on cancellation of shares	(14,911,036)		(15,880,319)
		10,332,655	8,284,980
Dilution adjustment		8,295	5,971
Stamp Duty Reserve Tax		-	(144,699)
Change in net assets attributable to Shareholders from investment activities (see above)		(4,062,197)	2,403,241
Retained distributions on accumulation shares		1,580,503	2,020,323
Unclaimed distributions		1,198	1,239
Closing net assets attributable to Shareholders		89,724,698	81,864,244

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			88,813,158		78,559,224
Debtors	7	506,636		3,240,396	
Cash and bank balances	8	<u>3,243,891</u>		<u>4,267,040</u>	
Total other assets			<u>3,750,527</u>		<u>7,507,436</u>
Total assets			92,563,685		86,066,660
LIABILITIES					
Investment liabilities			-		(456,494)
Creditors	9	(2,187,866)		(2,852,997)	
Distribution payable on income shares		<u>(651,121)</u>		<u>(892,925)</u>	
Total other liabilities			<u>(2,838,987)</u>		<u>(3,745,922)</u>
Total liabilities			(2,838,987)		(4,202,416)
Net assets attributable to Shareholders			<u>89,724,698</u>		<u>81,864,244</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 June 2015
						Group 2: Shares purchased 1 June 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	1.3088	0.1309	1.1779	0.0000	1.1779	2.1505
Group 2	0.2401	0.0240	0.2161	0.9618	1.1779	2.1505
Sterling Accumulation Shares						
Group 1	2.2280	0.2228	2.0052	0.0000	2.0052	3.2007
Group 2	0.6594	0.0659	0.5935	1.4117	2.0052	3.2007
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	2.5322
Group 2	n/a	n/a	n/a	n/a	n/a	2.5322
Institutional Shares W (Net Income)						
Group 1	1.4267	0.1427	1.2840	0.0000	1.2840	2.2352
Group 2	0.3189	0.0319	0.2870	0.9970	1.2840	2.2352
Institutional Shares W (Net Accumulation)						
Group 1	2.3320	0.2332	2.0988	0.0000	2.0988	3.3352
Group 2	0.4091	0.0409	0.3682	1.7306	2.0988	3.3352
Retail Advised Shares B (Net Income)						
Group 1	1.0376	0.1038	0.9338	0.0000	0.9338	1.6143
Group 2	0.0000	0.0000	0.0000	0.9338	0.9338	1.6143
Retail Advised Shares B (Net Accumulation)						
Group 1	1.2328	0.1233	1.1095	0.0000	1.1095	1.7575
Group 2	1.2328	0.1233	1.1095	0.0000	1.1095	1.7575

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 May 2015
						Group 2: Shares purchased 1 May 2015 to 31 May 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Sterling Income Shares						
Group 1	0.9244	0.0924	0.8320	0.0000	0.8320	0.8359
Group 2	0.0000	0.0000	0.0000	0.8320	0.8320	0.8359
Sterling Accumulation Shares						
Group 1	1.5074	0.1507	1.3567	0.0000	1.3567	1.2560
Group 2	0.0000	0.0000	0.0000	1.3567	1.3567	1.2560
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9926
Group 2	n/a	n/a	n/a	n/a	n/a	0.9926
Institutional Shares W (Net Income)						
Group 1	0.9600	0.0960	0.8640	0.0000	0.8640	0.8619
Group 2	0.0000	0.0000	0.0000	0.8640	0.8640	0.8619

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

					Period	
					Group 1: Shares purchased prior to 1 May 2015	
					Group 2: Shares purchased 1 May 2015 to 31 May 2015	
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Institutional Shares W (Net Accumulation)						
Group 1	1.5750	0.1575	1.4175	0.0000	1.4175	1.3036
Group 2	0.0000	0.0000	0.0000	1.4175	1.4175	1.3036
Retail Advised Shares B (Net Income)						
Group 1	0.6980	0.0698	0.6282	0.0000	0.6282	0.6282
Group 2	0.0000	0.0000	0.0000	0.6282	0.6282	0.6282
Retail Advised Shares B (Net Accumulation)						
Group 1	0.8327	0.0833	0.7494	0.0000	0.7494	0.6910
Group 2	0.8327	0.0833	0.7494	0.0000	0.7494	0.6910

Interim dividend distribution in pence per Share

					Period	
					Group 1: Shares purchased prior to 1 April 2015	
					Group 2: Shares purchased 1 April 2015 to 30 April 2015	
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/04/2014
Sterling Income Shares						
Group 1	0.9863	0.0986	0.8877	0.0000	0.8877	0.8265
Group 2	0.0000	0.0000	0.0000	0.8877	0.8877	0.8265
Sterling Accumulation Shares						
Group 1	1.4902	0.1490	1.3412	0.0000	1.3412	1.2347
Group 2	0.0000	0.0000	0.0000	1.3412	1.3412	1.2347
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9748
Group 2	n/a	n/a	n/a	n/a	n/a	0.9748
Institutional Shares W (Net Income)						
Group 1	0.9542	0.0954	0.8588	0.0000	0.8588	0.8517
Group 2	0.0000	0.0000	0.0000	0.8588	0.8588	0.8517
Institutional Shares W (Net Accumulation)						
Group 1	1.5562	0.1556	1.4006	0.0000	1.4006	1.2807
Group 2	0.0000	0.0000	0.0000	1.4006	1.4006	1.2807
Retail Advised Shares B (Net Income)						
Group 1	0.6939	0.0694	0.6245	0.0000	0.6245	0.6210
Group 2	0.0000	0.0000	0.0000	0.6245	0.6245	0.6210
Retail Advised Shares B (Net Accumulation)						
Group 1	0.8229	0.0823	0.7406	0.0000	0.7406	0.6791
Group 2	0.8229	0.0823	0.7406	0.0000	0.7406	0.6791

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 March 2015
						Group 2: Shares purchased 1 March 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.9271	0.0927	0.8344	0.0000	0.8344	0.8331
Group 2	0.1978	0.0198	0.1780	0.6564	0.8344	0.8331
Sterling Accumulation Shares						
Group 1	1.4930	0.1493	1.3437	0.0000	1.3437	1.2370
Group 2	0.3327	0.0333	0.2994	1.0443	1.3437	1.2370
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9756
Group 2	n/a	n/a	n/a	n/a	n/a	0.9756
Institutional Shares W (Net Income)						
Group 1	0.9613	0.0961	0.8652	0.0000	0.8652	0.8579
Group 2	0.4592	0.0459	0.4133	0.4519	0.8652	0.8579
Institutional Shares W (Net Accumulation)						
Group 1	1.5584	0.1558	1.4026	0.0000	1.4026	1.2824
Group 2	1.1157	0.1116	1.0041	0.3985	1.4026	1.2824
Retail Advised Shares B (Net Income)						
Group 1	0.6992	0.0699	0.6293	0.0000	0.6293	0.6258
Group 2	0.0000	0.0000	0.0000	0.6293	0.6293	0.6258
Retail Advised Shares B (Net Accumulation)						
Group 1	0.8242	0.0824	0.7418	0.0000	0.7418	0.6802
Group 2	0.8242	0.0824	0.7418	0.0000	0.7418	0.6802

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 February 2015
						Group 2: Shares purchased 1 February 2015 to 28 February 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 28/02/2014
Sterling Income Shares						
Group 1	0.9068	0.0907	0.8161	0.0000	0.8161	0.8206
Group 2	0.6674	0.0667	0.6007	0.2154	0.8161	0.8206
Sterling Accumulation Shares						
Group 1	1.4517	0.1452	1.3065	0.0000	1.3065	1.2112
Group 2	1.1967	0.1197	1.0770	0.2295	1.3065	1.2112
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9544
Group 2	n/a	n/a	n/a	n/a	n/a	0.9544
Institutional Shares W (Net Income)						
Group 1	0.9397	0.0940	0.8457	0.0000	0.8457	0.8446
Group 2	0.6413	0.0641	0.5772	0.2685	0.8457	0.8446

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 February 2015
						Group 2: Shares purchased 1 February 2015 to 28 February 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 28/02/2014
Institutional Shares W (Net Accumulation)						
Group 1	1.5144	0.1514	1.3630	0.0000	1.3630	1.2551
Group 2	0.9503	0.0950	0.8553	0.5077	1.3630	1.2551
Retail Advised Shares B (Net Income)						
Group 1	0.6836	0.0684	0.6152	0.0000	0.6152	0.6162
Group 2	0.1153	0.0115	0.1038	0.5114	0.6152	0.6162
Retail Advised Shares B (Net Accumulation)						
Group 1	0.8011	0.0801	0.7210	0.0000	0.7210	0.6658
Group 2	0.8011	0.0801	0.7210	0.0000	0.7210	0.6658

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 January 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/01/2014
Sterling Income Shares						
Group 1	0.8930	0.0893	0.8037	0.0000	0.8037	0.8532
Group 2	0.6241	0.0624	0.5617	0.2420	0.8037	0.8532
Sterling Accumulation Shares						
Group 1	1.4212	0.1421	1.2791	0.0000	1.2791	1.2517
Group 2	0.9413	0.0941	0.8472	0.4319	1.2791	1.2517
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9852
Group 2	n/a	n/a	n/a	n/a	n/a	0.9852
Institutional Shares W (Net Income)						
Group 1	0.9249	0.0925	0.8324	0.0000	0.8324	0.8777
Group 2	0.5610	0.0561	0.5049	0.3275	0.8324	0.8777
Institutional Shares W (Net Accumulation)						
Group 1	1.4819	0.1482	1.3337	0.0000	1.3337	1.2969
Group 2	0.7068	0.0707	0.6361	0.6976	1.3337	1.2969
Retail Advised Shares B (Net Income)						
Group 1	0.6730	0.0673	0.6057	0.0000	0.6057	0.6405
Group 2	0.2814	0.0281	0.2533	0.3524	0.6057	0.6405
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7840	0.0784	0.7056	0.0000	0.7056	0.6878
Group 2	0.7840	0.0784	0.7056	0.0000	0.7056	0.6878

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 December 2014
						Group 2: Shares purchased 1 December 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.9041	0.0904	0.8137	0.0000	0.8137	0.8508
Group 2	0.3257	0.0326	0.2931	0.5206	0.8137	0.8508
Sterling Accumulation Shares						
Group 1	1.4302	0.1430	1.2872	0.0000	1.2872	1.2331
Group 2	0.5486	0.0549	0.4937	0.7935	1.2872	1.2331
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9685
Group 2	n/a	n/a	n/a	n/a	n/a	0.9685
Institutional Shares W (Net Income)						
Group 1	0.9358	0.0936	0.8422	0.0000	0.8422	0.8742
Group 2	0.3381	0.0338	0.3043	0.5379	0.8422	0.8742
Institutional Shares W (Net Accumulation)						
Group 1	1.4903	0.1490	1.3413	0.0000	1.3413	1.2762
Group 2	0.7938	0.0794	0.7144	0.6269	1.3413	1.2762
Retail Advised Shares B (Net Income)						
Group 1	0.6811	0.0681	0.6130	0.0000	0.6130	0.6383
Group 2	0.0577	0.0058	0.0519	0.5611	0.6130	0.6383
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7887	0.0789	0.7098	0.0000	0.7098	0.6772
Group 2	0.7887	0.0789	0.7098	0.0000	0.7098	0.6772

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 November 2014
						Group 2: Shares purchased 1 November 2014 to 30 November 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/11/2013
Sterling Income Shares						
Group 1	0.8889	0.0889	0.8000	0.0000	0.8000	0.8508
Group 2	0.2300	0.0230	0.2070	0.5930	0.8000	0.8508
Sterling Accumulation Shares						
Group 1	1.3979	0.1398	1.2581	0.0000	1.2581	1.2331
Group 2	0.0403	0.0040	0.0363	1.2218	1.2581	1.2331
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9685
Group 2	n/a	n/a	n/a	n/a	n/a	0.9685
Institutional Shares W (Net Income)						
Group 1	0.9197	0.0920	0.8277	0.0000	0.8277	0.8742
Group 2	0.2872	0.0287	0.2585	0.5692	0.8277	0.8742

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 November 2014
						Group 2: Shares purchased 1 November 2014 to 30 November 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/11/2013
Institutional Shares W (Net Accumulation)						
Group 1	1.4560	0.1456	1.3104	0.0000	1.3104	1.2762
Group 2	0.3626	0.0363	0.3263	0.9841	1.3104	1.2762
Retail Advised Shares B (Net Income)						
Group 1	0.6694	0.0669	0.6025	0.0000	0.6025	0.6383
Group 2	0.0000	0.0000	0.0000	0.6025	0.6025	0.6383
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7707	0.0771	0.6936	0.0000	0.6936	0.6772
Group 2	0.7707	0.0771	0.6936	0.0000	0.6936	0.6772

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 October 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/10/2013
Sterling Income Shares						
Group 1	0.8943	0.0894	0.8049	0.0000	0.8049	0.8220
Group 2	0.3963	0.0396	0.3567	0.4482	0.8049	0.8220
Sterling Accumulation Shares						
Group 1	1.3980	0.1398	1.2582	0.0000	1.2582	1.1846
Group 2	0.6718	0.0672	0.6046	0.6536	1.2582	1.1846
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9294
Group 2	n/a	n/a	n/a	n/a	n/a	0.9294
Institutional Shares W (Net Income)						
Group 1	0.9247	0.0925	0.8322	0.0000	0.8322	0.8442
Group 2	0.3464	0.0346	0.3118	0.5204	0.8322	0.8442
Institutional Shares W (Net Accumulation)						
Group 1	1.4550	0.1455	1.3095	0.0000	1.3095	1.2254
Group 2	0.6214	0.0621	0.5593	0.7502	1.3095	1.2254
Retail Advised Shares B (Net Income)						
Group 1	0.6732	0.0673	0.6059	0.0000	0.6059	0.6165
Group 2	0.0000	0.0000	0.0000	0.6059	0.6059	0.6165
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7704	0.0770	0.6934	0.0000	0.6934	0.6504
Group 2	0.7704	0.0770	0.6934	0.0000	0.6934	0.6504

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 September 2014
						Group 2: Shares purchased 1 September 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.9193	0.0919	0.8274	0.0000	0.8274	0.8226
Group 2	0.4069	0.0407	0.3662	0.4612	0.8274	0.8226
Sterling Accumulation Shares						
Group 1	1.4283	0.1428	1.2855	0.0000	1.2855	1.1784
Group 2	0.6040	0.0604	0.5436	0.7419	1.2855	1.1784
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9236
Group 2	n/a	n/a	n/a	n/a	n/a	0.9236
Institutional Shares W (Net Income)						
Group 1	0.9500	0.0950	0.8550	0.0000	0.8550	0.8444
Group 2	0.5217	0.0522	0.4695	0.3855	0.8550	0.8444
Institutional Shares W (Net Accumulation)						
Group 1	1.4857	0.1486	1.3371	0.0000	1.3371	1.2184
Group 2	0.7012	0.0701	0.6311	0.7060	1.3371	1.2184
Retail Advised Shares B (Net Income)						
Group 1	0.6919	0.0692	0.6227	0.0000	0.6227	0.6167
Group 2	0.1229	0.0123	0.1106	0.5121	0.6227	0.6167
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7869	0.0787	0.7082	0.0000	0.7082	0.6468
Group 2	0.7869	0.0787	0.7082	0.0000	0.7082	0.6468

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 August 2014
						Group 2: Shares purchased 1 August 2014 to 31 August 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/08/2013
Sterling Income Shares						
Group 1	0.8930	0.0893	0.8037	0.0000	0.8037	0.8332
Group 2	0.4399	0.0440	0.3959	0.4078	0.8037	0.8332
Sterling Accumulation Shares						
Group 1	1.3794	0.1379	1.2415	0.0000	1.2415	1.1863
Group 2	1.2703	0.1270	1.1433	0.0982	1.2415	1.1863
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.9288
Group 2	n/a	n/a	n/a	n/a	n/a	0.9288
Institutional Shares W (Net Income)						
Group 1	0.9222	0.0922	0.8300	0.0000	0.8300	0.8548
Group 2	0.4347	0.0435	0.3912	0.4388	0.8300	0.8548

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

					Period	
					Group 1: Shares purchased prior to 1 August 2014	Group 2: Shares purchased 1 August 2014 to 31 August 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/08/2013
Institutional Shares W (Net Accumulation)						
Group 1	1.4341	0.1434	1.2907	0.0000	1.2907	1.2259
Group 2	0.8368	0.0837	0.7531	0.5376	1.2907	1.2259
Retail Advised Shares B (Net Income)						
Group 1	0.6718	0.0672	0.6046	0.0000	0.6046	0.6245
Group 2	0.0000	0.0000	0.0000	0.6046	0.6046	0.6245
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7597	0.0760	0.6837	0.0000	0.6837	0.6509
Group 2	0.7597	0.0760	0.6837	0.0000	0.6837	0.6509

Interim dividend distribution in pence per Share

					Period	
					Group 1: Shares purchased prior to 1 July 2014	Group 2: Shares purchased 1 July 2014 to 31 July 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/07/2013
Sterling Income Shares						
Group 1	0.9139	0.0914	0.8225	0.0000	0.8225	0.7989
Group 2	0.5540	0.0554	0.4986	0.3239	0.8225	0.7989
Sterling Accumulation Shares						
Group 1	1.4032	0.1403	1.2629	0.0000	1.2629	1.1310
Group 2	0.7763	0.0776	0.6987	0.5642	1.2629	1.1310
X Shares (Net Accumulation)*						
Group 1	1.1113	0.1111	1.0002	0.0000	1.0002	0.8846
Group 2	1.1113	0.1111	1.0002	0.0000	1.0002	0.8846
Institutional Shares W (Net Income)						
Group 1	0.9433	0.0943	0.8490	0.0000	0.8490	0.8192
Group 2	0.5287	0.0529	0.4758	0.3732	0.8490	0.8192
Institutional Shares W (Net Accumulation)						
Group 1	1.4580	0.1458	1.3122	0.0000	1.3122	1.1681
Group 2	0.8100	0.0810	0.7290	0.5832	1.3122	1.1681
Retail Advised Shares B (Net Income)						
Group 1	0.6874	0.0687	0.6187	0.0000	0.6187	0.5985
Group 2	0.2747	0.0275	0.2472	0.3715	0.6187	0.5985
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7724	0.0772	0.6952	0.0000	0.6952	0.6203
Group 2	0.7724	0.0772	0.6952	0.0000	0.6952	0.6203

*X Shares (Net Accumulation) share class closed 15 August 2014.

Distribution Statements (continued)

			Utilised foreign tax (£)	Utilised foreign tax (pence per share)
	Franked (%)	Unfranked (%)		
Final distributions for 30 June 2015	70.47	29.53	n/a	n/a
Interim distributions for 31 May 2015	67.31	32.69	n/a	n/a
Interim distributions for 30 April 2015	65.99	34.01	n/a	n/a
Interim distributions for 31 March 2015	64.66	35.34	n/a	n/a
Interim distributions for 28 February 2015	58.85	41.15	n/a	n/a
Interim distributions for 31 January 2015	34.19	65.81	n/a	n/a
Interim distributions for 31 December 2014	28.25	71.75	n/a	n/a
Interim distributions for 30 November 2014	61.78	38.22	n/a	n/a
Interim distributions for 31 October 2014	55.44	44.56	n/a	n/a
Interim distributions for 30 September 2014	42.87	57.13	n/a	n/a
Interim distributions for 31 August 2014	89.74	10.26	n/a	n/a
Interim distributions for 31 July 2014	36.76	63.24	n/a	n/a

Notes to the Financial Statements

1 Net capital (losses)/gains

	30/06/2015	30/06/2014
	£	£
The net capital (losses)/gains on investments during the year comprise		
(Losses)/gains on non-derivative securities	(2,397,461)	3,708,918
Losses on derivative contracts	(675,609)	(359,403)
Currency exchange losses	(617)	(3,388)
Activity charges	(37,835)	(32,973)
Net capital (losses)/gains	(3,111,522)	3,313,154

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	580	3,712
Overseas dividends	247,119	223,268
Property income distribution	34,705	33,762
Returns on derivatives	3,866,071	4,179,332
Stock lending	7,717	5,303
UK dividends	3,059,387	2,548,514
Total revenue	7,215,579	6,993,891

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	1,086,245	1,033,988
Administration fees	67,435	68,980
Safe custody charges	2,308	2,100
	1,155,988	1,105,068
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	19,893	18,291
Distribution reconciliation service	1,647	3,348
	21,540	21,639
Other expenses:		
Auditor's remuneration: - Audit services (audit fee)†	9,961	9,492
Financial Conduct Authority fee	277	230
Sundry expenses	153	-
	10,391	9,722
Total expenses	1,187,919	1,136,429

† The Audit services (audit fee) net of VAT for 2015 is £8,100 (2014: £8,000).

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in period:		
Corporation tax	544,231	621,586
	<u>544,231</u>	<u>621,586</u>
Overseas tax withheld	21,165	19,113
Prior year adjustment	(3,465)	-
Total current tax charge (see note 4b)	<u>561,931</u>	<u>640,699</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>6,027,660</u>	<u>5,854,943</u>
Corporation tax @ 20%	1,205,532	1,170,989
Effects of:		
Dividends not subject to corporation tax	(661,301)	(549,403)
Overseas tax withheld	21,165	19,113
Prior year adjustment	(3,465)	-
Total current tax charge (see note 4a)	<u>561,931</u>	<u>640,699</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts. The Fund has no excess management expenses (30/06/14: Nil).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 31 July - Sterling Income Shares	266,358	253,286
Interim dividend 31 July - Sterling Accumulation Shares	109,231	118,053
Interim dividend 31 July - X Shares (Net Accumulation)	22,651	20,032
Interim dividend 31 July - Institutional Shares W (Net Income)	83,059	10,395
Interim dividend 31 July - Institutional Shares W (Net Accumulation)	19,439	1,419
Interim dividend 31 July - Retail Advised Shares B (Net Income)	222	30
Interim dividend 31 July - Retail Advised Shares B (Net Accumulation)	94	31
Interim dividend 31 August - Sterling Income Shares	261,030	266,297
Interim dividend 31 August - Sterling Accumulation Shares	106,432	121,770
Interim dividend 31 August - X Shares (Net Accumulation)	-	21,035
Interim dividend 31 August - Institutional Shares W (Net Income)	90,200	11,295
Interim dividend 31 August - Institutional Shares W (Net Accumulation)	19,217	2,236
Interim dividend 31 August - Retail Advised Shares B (Net Income)	217	32
Interim dividend 31 August - Retail Advised Shares B (Net Accumulation)	93	32
Interim dividend 30 September - Sterling Income Shares	266,419	266,508
Interim dividend 30 September - Sterling Accumulation Shares	108,280	119,504
Interim dividend 30 September - X Shares (Net Accumulation)	-	20,917
Interim dividend 30 September - Institutional Shares W (Net Income)	102,286	12,105
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	20,888	5,016
Interim dividend 30 September - Retail Advised Shares B (Net Income)	224	32
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	96	32
Interim dividend 31 October - Sterling Income Shares	259,285	271,166

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 October - Sterling Accumulation Shares	104,116	120,025
Interim dividend 31 October - X Shares (Net Accumulation)	-	21,048
Interim dividend 31 October - Institutional Shares W (Net Income)	108,324	14,313
Interim dividend 31 October - Institutional Shares W (Net Accumulation)	21,975	5,472
Interim dividend 31 October - Retail Advised Shares B (Net Income)	218	32
Interim dividend 31 October - Retail Advised Shares B (Net Accumulation)	94	32
Interim dividend 30 November - Sterling Income Shares	255,505	279,095
Interim dividend 30 November - Sterling Accumulation Shares	102,404	122,341
Interim dividend 30 November - X Shares (Net Accumulation)	-	21,934
Interim dividend 30 November - Institutional Shares W (Net Income)	112,738	20,745
Interim dividend 30 November - Institutional Shares W (Net Accumulation)	21,982	7,813
Interim dividend 30 November - Retail Advised Shares B (Net Income)	217	33
Interim dividend 30 November - Retail Advised Shares B (Net Accumulation)	94	34
Interim dividend 31 December - Sterling Income Shares	257,230	281,814
Interim dividend 31 December - Sterling Accumulation Shares	102,384	121,488
Interim dividend 31 December - X Shares (Net Accumulation)	-	21,934
Interim dividend 31 December - Institutional Shares W (Net Income)	123,202	21,993
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	24,345	7,848
Interim dividend 31 December - Retail Advised Shares B (Net Income)	222	34
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	96	34
Interim dividend 31 January - Sterling Income Shares	253,598	288,051
Interim dividend 31 January - Sterling Accumulation Shares	99,347	123,122
Interim dividend 31 January - X Shares (Net Accumulation)	-	22,311
Interim dividend 31 January - Institutional Shares W (Net Income)	128,191	22,946
Interim dividend 31 January - Institutional Shares W (Net Accumulation)	24,661	8,300
Interim dividend 31 January - Retail Advised Shares B (Net Income)	248	34
Interim dividend 31 January - Retail Advised Shares B (Net Accumulation)	96	35
Interim dividend 28 February - Sterling Income Shares	255,590	282,151
Interim dividend 28 February - Sterling Accumulation Shares	99,314	118,180
Interim dividend 28 February - X Shares (Net Accumulation)	-	21,614
Interim dividend 28 February - Institutional Shares W (Net Income)	138,050	24,733
Interim dividend 28 February - Institutional Shares W (Net Accumulation)	24,152	8,743
Interim dividend 28 February - Retail Advised Shares B (Net Income)	252	33
Interim dividend 28 February - Retail Advised Shares B (Net Accumulation)	98	33
Interim dividend 31 March - Sterling Income Shares	247,299	287,092
Interim dividend 31 March - Sterling Accumulation Shares	97,407	115,925
Interim dividend 31 March - X Shares (Net Accumulation)	-	22,095
Interim dividend 31 March - Institutional Shares W (Net Income)	161,349	31,467
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	26,584	12,421
Interim dividend 31 March - Retail Advised Shares B (Net Income)	258	34
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	101	34
Interim dividend 30 April - Sterling Income Shares	260,097	283,700
Interim dividend 30 April - Sterling Accumulation Shares	95,107	113,887
Interim dividend 30 April - X Shares (Net Accumulation)	-	22,076
Interim dividend 30 April - Institutional Shares W (Net Income)	179,768	42,411
Interim dividend 30 April - Institutional Shares W (Net Accumulation)	27,663	13,774
Interim dividend 30 April - Retail Advised Shares B (Net Income)	256	34
Interim dividend 30 April - Retail Advised Shares B (Net Accumulation)	100	34
Interim dividend 31 May - Sterling Income Shares	242,790	281,687
Interim dividend 31 May - Sterling Accumulation Shares	94,636	113,733
Interim dividend 31 May - X Shares (Net Accumulation)	-	22,480
Interim dividend 31 May - Institutional Shares W (Net Income)	195,995	53,934
Interim dividend 31 May - Institutional Shares W (Net Accumulation)	28,328	15,332
Interim dividend 31 May - Retail Advised Shares B (Net Income)	258	34
Interim dividend 31 May - Retail Advised Shares B (Net Accumulation)	102	35

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	340,897	695,543
Final dividend 30 June - Sterling Accumulation Shares	134,877	284,594
Final dividend 30 June - X Shares (Net Accumulation)	-	57,347
Final dividend 30 June - Institutional Shares W (Net Income)	309,840	196,803
Final dividend 30 June - Institutional Shares W (Net Accumulation)	43,869	43,900
Final dividend 30 June - Retail Advised Shares B (Net Income)	384	579
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	150	238
	6,482,579	6,220,794
Amounts added on issue of shares	(123,993)	(216,198)
Amounts deducted on cancellation of shares	57,818	119,561
Net distributions for the year	6,416,404	6,124,157
Interest	-	2,519
Total finance costs	6,416,404	6,126,676

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	5,465,729	5,214,244
Capitalised fees less tax relief paid from capital	950,335	909,930
Equalisation on conversions	340	(17)
	6,416,404	6,124,157

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	339,871	295,946
Amount receivable for issue of shares	156,610	2,938,363
Overseas tax recoverable	10,155	6,087
	506,636	3,240,396

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	3,243,891	4,267,040
	3,243,891	4,267,040

Notes to the Financial Statements (continued)**9 Creditors**

	30/06/2015	30/06/2014
	£	£
Accrued expenses	110,964	107,939
Amount payable for cancellation of shares	188,566	2,126,170
Corporation tax payable	284,614	618,888
Purchases awaiting settlement	1,603,722	-
	2,187,866	2,852,997

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £132,799 (30/06/14: £713,682 due from the ACD).

11 Financial instruments**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund enters into derivative transactions in the form of forward foreign currency contracts and options. The purpose of these financial instruments is efficient portfolio management. Forward currency contracts may be used to manage currency risk arising from holdings of overseas securities. Exchange traded and OTC derivatives (on an index or on single stocks) can be written to enhance the yield for investors. As such returns are taken to revenue.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	88,813,158	861,515	89,674,673	80,269,788
Europe	-	5,594	5,594	44,316
United States of America	-	44,431	44,431	1,550,140
Total	88,813,158	911,540	89,724,698	81,864,244

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		14,307,795		21,865,462
Commissions	28,616		17,306	
Taxes	<u>68,806</u>		<u>38,384</u>	
Total purchase costs		97,422		55,690
Gross purchases total		<u>14,405,217</u>		<u>21,921,152</u>
Analysis of total sales proceeds:				
Sales before transaction costs		5,645,252		20,921,155
Commissions	(10,986)		(15,099)	
Taxes	<u>(18)</u>		<u>(16)</u>	
Total sales costs		(11,004)		(15,115)
Total sales net of transaction costs		<u>5,634,248</u>		<u>20,906,040</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £5,896,962 of investments were subject to stock lending agreements and the Fund held £6,522,269 in collateral. The collateral is held equity securities.

As at 30 June 2014, £2,101,155 of investments were subject to stock lending agreements and the Fund held £2,214,837 in collateral. The collateral is held equity securities.

The gross earnings and the fees for the year are £9,646 (30/06/2014: £6,629) and £1,929 (30/06/2014: £1,326) respectively.

15 Shareholders' funds

The Fund currently has six share classes; Sterling Income Shares, Sterling Accumulation Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Sterling Accumulation Shares	1.50%	0.10%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 80 to 81. The distributions are given in the distribution statements on pages 86 to 94. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT GLOBAL ABSOLUTE RETURN FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£54.33m
Comparative Index:	LIBOR GBP 3 Months
Sector:	The Investment Association Targeted Absolute Return
Yield as at 30 June 2015:	

Sterling Accumulation Shares	0.24%
Institutional Shares (Net Accumulation)	1.01%
Sterling Income Shares	0.24%
Institutional Shares W (Net Income)	1.06%
Institutional Shares W (Net Accumulation)	1.06%
Retail Advised Shares B (Net Income)	0.84%
Retail Advised Shares B (Net Accumulation)	0.83%

Key Dates: Fund Launch 09 February 2013

Investment Objective

The objective of the Fund is to deliver positive returns on an annual basis with the prospect of attractive long-term capital growth. The Fund aims to deliver cash (3 month GBP LIBOR) + 4% on a rolling annualised 5 years basis before fees. However, a positive return is not guaranteed and a capital loss may occur.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Accumulation Shares*	1.85%	7.75%	n/a	n/a	n/a
Institutional Shares (Net Accumulation)*	2.64%	8.65%	n/a	n/a	n/a
Sterling Income Shares*	1.82%	7.72%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	2.68%	8.76%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	2.71%	8.76%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	2.47%	8.47%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	2.46%	8.47%	n/a	n/a	n/a
LIBOR GBP 3 Months	0.56%	0.42%	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Acc Share Class of the Fund returned 1.82% against 0.56% for the LIBID GBP 3 Month.

The Fund generated an attractive positive return. By maintaining allocations to investments across the asset spectrum, this diversification again added to performance over the review period. All four components of the Fund – equities, fixed income, real assets such as property and total return strategies – contributed positively. Fixed-income holdings were the most significant contributor to performance, largely as a result of government bond holdings, and investment grade corporate debt was also positive. (Investment grade is debt issued by companies that is rated BBB and above by the credit rating agency Standard & Poor's.) The equity allocation was also positive, largely as a result of Japanese equity market exposure, supported by gains in US and emerging market equities. The total return strategies were also beneficial, providing an important diversifier to returns within a portfolio context. Over the year, total return strategies focused on the euro/US dollar, Japanese dividend futures, and the Japanese equity market were particularly positive. Within real assets, the holdings in infrastructure assets generated positive returns, more than offsetting the weak performance of the commodity exposure, which came under pressure due to softer prices.

In terms of activity, the fixed-income allocation broadly increased over the first half of the period under review. The manager initially built on a bias towards longer duration positions, before reducing this preference as risk aversion took hold later in 2014. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). In early 2015, the manager began to reduce the fixed-income allocation and by the end of the review period the allocation had almost halved from its peak. In equities, the manager sharply reduced the allocation in October, reflecting growing caution ahead of the completion of the 'tapering' of the US Federal Reserve (Fed) and uncertainty regarding the global economic recovery. ('Tapering' is the reduction of the Fed's quantitative easing or bond buying programme.) The manager subsequently increased the allocation, before reducing it in June again primarily due to uncertainty over Greek debt negotiations. Within real assets positions, the infrastructure allocation remained steady but the manager removed commodities exposure in October to response to the falling oil price. Commodities exposure was reinstated in May after improving economic data and signs that commodity prices were beginning to stabilise. The allocation to total return strategies varied but exposure increased overall. Specific strategies included a trade focused on the Hang Seng Index as the manager believed it would benefit from looser Chinese monetary policy (profits were later taken on the position).

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

Purchases

iShares USD Corporate Bond Fund
UBS ETF CMCI Composite Fund
iShares Sterling Corporate Bond Fund
iShares Euro Corporate Bond Fund
UK Treasury Stock 3.25% 2044
Insight LIBOR Plus Fund
iShares J.P. Morgan \$ Emerging Markets Bond Fund
Amedeo Air Four Plus
Insight UK Government Long Maturities Bond Fund
BNY Mellon Global Fund - Absolute Return Bond Fund

Sales

UBS ETF CMCI Composite Fund
iShares Euro Corporate Bond Fund
SSGA-US Corporate Bond Index
iShares Sterling Corporate Bond Fund
Spain 3.75% 31/10/18
iShares USD Corporate Bond Fund
UK Treasury Stock 3.25% 2044
iShares J.P. Morgan \$ Emerging Markets Bond Fund
Insight UK Government Long Maturities Bond Fund
Insight Short-Dated High Yield Bond Fund

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	102.99	98.10	0.0117
2014	108.17	100.44	0.1164
2015	112.23	106.10	0.3972
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2013 (from 9 February)	103.22	98.39	0.3276
2014	109.56	101.26	0.9561
2015	114.25	107.76	1.2508
Sterling Income Shares	Pence	Pence	Pence
2013 (from 11 February)	102.90	98.01	0.0290
2014	107.81	100.30	0.1730
2015	111.85	105.74	0.3972
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	103.15	98.29	0.3711
2014	108.12	100.90	1.0608
2015	112.82	106.39	1.2880
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	103.15	98.32	0.3687
2014	109.64	101.27	1.0609
2015	114.40	107.88	1.3129
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	103.08	98.24	0.2764
2014	108.08	100.72	0.7894
2015	112.57	106.24	1.0464
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	103.08	98.24	0.2764
2014	109.19	101.01	0.7920
2015	113.74	107.34	1.0558

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Accumulation Shares		Pence	
30/06/2013	34,567,190	98.32	35,157,866
30/06/2014	27,971,736	105.93	26,405,834
30/06/2015	22,818,278	107.74	21,178,162
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	16,375,831	98.63	16,603,638
30/06/2014	15,638,296	107.13	14,597,034
30/06/2015	14,948,573	109.81	13,612,706

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares			
30/06/2013	7,441	Pence 98.21	7,577
30/06/2014	28,385	105.58	26,886
30/06/2015	15,980	106.98	14,937
Institutional Shares W (Net Income)			
30/06/2013	4,959	Pence 98.20	5,050
30/06/2014	176,132	105.71	166,624
30/06/2015	856,527	107.12	799,621
Institutional Shares W (Net Accumulation)			
30/06/2013	316,152	Pence 98.57	320,752
30/06/2014	3,090,027	107.18	2,883,113
30/06/2015	15,682,668	109.92	14,267,346
Retail Advised Shares B (Net Income)			
30/06/2013	4,910	Pence 98.20	5,000
30/06/2014	5,300	105.70	5,014
30/06/2015	5,410	107.11	5,051
Retail Advised Shares B (Net Accumulation)			
30/06/2013	4,924	Pence 98.48	5,000
30/06/2014	5,340	106.80	5,000
30/06/2015	5,464	109.28	5,000

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Accumulation Shares	1.79	1.83
Institutional Shares (Net Accumulation)	0.97	1.01
Sterling Income Shares	1.79	1.83
Institutional Shares W (Net Income)	0.87	0.89
Institutional Shares W (Net Accumulation)	0.87	0.89
Retail Advised Shares B (Net Income)	1.15	1.17
Retail Advised Shares B (Net Accumulation)	1.15	1.17

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Collective Investment Schemes 13.76% (20.00%)			
BNY Mellon Absolute Return Bond Fund†	13,752	1,099,979	2.02
BNY Mellon Emerging Markets Corporate Debt Fund †	6,523	529,820	0.97
BNY Mellon European Credit Fund X EUR Accumulation†	2,602	211,380	0.39
Insight Global UK Bond Fund S Accumulation†	965	924,538	1.70
Insight LIBOR Plus Fund†	1,797,937	2,730,707	5.03
Insight UK Corporate All Maturities Bond Fund†	658,783	1,246,681	2.29
Insight UK Government All Maturities Bond Fund†	241,637	464,837	0.86
Insight UK Government Long Maturities Bond Fund†	124,566	269,910	0.50
Equities 12.70% (15.52%)			
3i Infrastructure	546,070	917,398	1.69
Amedeo Air Four Plus	461,467	475,311	0.88
Doric Nimrod Air One	542,289	577,538	1.06
Doric Nimrod Air Two (Private Placing)	415,135	988,021	1.82
Duet Real Estate Finance	1,258,731	317,830	0.59
GCP Infrastructure Investments Fund	456,962	523,221	0.96
Greencoat UK Wind	247,651	274,893	0.51
HICL Infrastructure	460,072	708,511	1.30
John Laing Infrastructure Fund	542,005	659,620	1.21
NB Distressed Debt Investment Fund	1,467,412	998,366	1.84
TwentyFour Select Monthly Income Fund	464,000	457,040	0.84
Exchange Traded Funds 8.98% (13.42%)			
iShares JPMorgan \$ Emerging Markets Bond Fund	15,071	1,038,593	1.91
iShares Markit iBoxx \$ Corporate Bond Fund	22,354	1,572,185	2.89
iShares Markit iBoxx Euro Corporate Bond Fund	3,447	319,644	0.59
iShares Sterling Corporate Bond Fund	4,890	641,666	1.18
UBS CICI Composite USD Fund	30,250	1,309,096	2.41
Derivatives 1.08% (0.93%)			
Futures (0.05)% (0.35%)			
Aust 10 Year Bond Future Expires September 2015	AUD13	10,554	0.02
Bovespa Index Future Expires August 2015	BRL56	(3,817)	(0.01)
Euro Stoxx 50 Future Expires September 2015	EUR101	5,958	0.01
Euro-BTP Future Expires September 2015	EUR6	(10,988)	(0.02)
Euro-OAT Future Expires September 2015	EUR5	(9,047)	(0.02)
FTSE 100 Index Future Expires September 2015	£38	(52,123)	(0.10)
FTSE Dividend Future Expires December 2015	£191	(364)	0.00
FTSE/JSE TOP 40 Future Expires September 2015	ZAR26	(66)	0.00
H-Shares Index Future Expires July 2015	HKD12	(28,194)	(0.05)
Kospi2 Index Future Expires September 2015	KRW(13)	5,530	0.01
Long Gilt Future Expires September 2015	£5	(4,860)	(0.01)
NIKKEI 225 Future (CME) Expires September 2015	USD45	(40,831)	(0.07)
NIKKEI Dividend Expires December 2015	JPY58	170,545	0.31
S&P 500 EMINI Future Expires September 2015	USD38	(44,293)	(0.08)
SGX CNX NIFTY Future Expires July 2015	USD59	(416)	0.00
SPI 200 Future Expires September 2015	AUD9	(12,185)	(0.02)
SX5E Dividend Future Expires December 2016	EUR26	(2,026)	0.00
US 10 Year Note Future (CBT) Expires September 2015	USD17	(4,908)	(0.01)
US Long Bond (CBT) Expires September 2015	USD6	(5,395)	(0.01)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Options 0.45% (0.46%)			
CBOE SPX July 2015 20 (Call Options)	USD633	56,349	0.10
DAX July 2015 11100 (Put Options)	EUR81	105,045	0.19
ESTX 50 August 2015 3325 (Put Options)	EUR67	50,173	0.09
Euro Put US Dollar @ 1.08 06/08/2015	EUR(3,200,000)	(14,564)	(0.03)
Euro Put US Dollar @ 1.1 06/08/2015	EUR3,200,000	25,425	0.05
Euro Call US Dollar @ 1.15 06/08/2015	EUR(3,200,000)	(10,834)	(0.02)
FTSE 100 September 2015 6425 (Put Options)	£(64)	(109,440)	(0.20)
FTSE 100 September 2015 6825 (Put Options)	£32	123,200	0.23
FTSE 100 September 2015 7100 (Call Options)	£32	3,520	0.01
FTSE 100 September 2015 7300 (Call Options)	£(64)	(2,240)	0.00
iShares September 2015 86 (Put Option)	USD(464)	(39,830)	(0.07)
iShares September 2015 92 (Call Option)	USD464	4,426	0.01
S&P 500 July 2015 2080 (Put Options)	USD(24)	(58,020)	(0.11)
S&P 500 December 2015 1950 (Put Options)	USD(34)	(126,903)	(0.23)
S&P 500 September 2015 1950 (Put Options)	USD(32)	(63,687)	(0.12)
S&P 500 September 2015 2075 (Put Options)	USD16	68,926	0.13
S&P 500 August 2015 2090 (Put Options)	USD(12)	(50,436)	(0.09)
S&P 500 December 2015 2100 (Put Options)	USD17	119,877	0.22
S&P 500 September 2015 2125 (Call Options)	USD16	23,043	0.04
S&P 500 December 2015 2150 (Call Options)	USD17	37,833	0.07
S&P 500 September 2015 2175 (Call Options)	USD(32)	(17,295)	(0.03)
S&P 500 December 2015 2200 (Call Options)	USD(34)	(43,886)	(0.08)
S&P/ASX July 2015 5200 (Put Options)	AUD(117)	(14,524)	(0.03)
S&P/ASX July 2015 5700 (Call Options)	AUD 117	5,947	0.01
S&P/ASX July 2015 5800 (Call Options)	AUD(117)	(1,887)	0.00
SX5E Dividend December 2015 90 (Put Options)	EUR(298)	(211)	0.00
SX5E Dividend December 2015 105 (Call Options)	EUR298	203,311	0.37
SX5E Dividend December 2015 110 (Call Options)	EUR(298)	(98,172)	(0.18)
SX5E Dividend December 2016 95 (Put Options)	EUR(210)	(8,332)	(0.02)
SX5E Dividend December 2016 100 (Put Options)	EUR(262)	(14,107)	(0.03)
SX5E Dividend December 2016 110 (Call Options)	EUR210	116,196	0.21
SX5E Dividend December 2016 115 (Call Options)	EUR52	14,957	0.03
SX5E Dividend December 2016 120 (Call Options)	EUR(262)	(28,214)	(0.05)
US Dollar Put Japanese Yen @ 120 27/08/2015	USD(5,000,000)	(20,083)	(0.04)
US Dollar Call Japanese Yen @ 125 27/08/2015	USD5,000,000	18,061	0.03
US Dollar Call Japanese Yen @ 127 27/08/2015	USD(5,000,000)	(8,237)	(0.01)
US LG August 2015 145 (Put Options)	USD(58)	(38,608)	(0.07)
US LG August 2015 148 (Put Options)	USD29	35,439	0.07

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
EUR Forward Foreign Currency Contracts 0.33% (-0.02%)			
Forward Foreign Currency Contracts 04/09/15	EUR(6,740,000)	(4,781,613)	(8.80)
Forward Foreign Currency Contracts 04/09/15	£4,959,521	4,959,521	9.13
JPY Forward Foreign Currency Contracts 0.01% (0.01%)			
Forward Foreign Currency Contracts 04/09/15	JPY(102,000,000)	(530,688)	(0.98)
Forward Foreign Currency Contracts 04/09/15	£535,930	535,930	0.99
USD Forward Foreign Currency Contracts 0.35% (0.13%)			
Forward Foreign Currency Contracts 04/09/15	USD(11,900,000)	(7,570,127)	(13.93)
Forward Foreign Currency Contracts 04/09/15	£7,761,131	7,761,131	14.28
ZAR Forward Foreign Currency Contracts (0.01)% (0.00%)			
Forward Foreign Currency Contracts 31/07/15	ZAR(13,237,814)	(689,934)	(1.27)
Forward Foreign Currency Contracts 31/07/15	USD 1,080,000	686,858	1.26
Portfolio of investments*		19,843,155	36.52
Net current assets		34,489,746	63.48
Total Net Assets		54,332,901	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Overseas Government Bonds portfolio categories, which, at 30 June 2014, represented 2.83% of the Total Net Assets of the Fund.

†Considered a related party of the ACD.

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

*Net of investment liabilities.

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		351,410		3,545,404
Revenue	2	976,785		846,843	
Expenses	3	(602,308)		(646,497)	
Finance costs: Interest	5	(809)		(535)	
Net revenue before taxation		373,668		199,811	
Taxation	4	-		-	
Net revenue after taxation			373,668		199,811
Total return before distributions			725,078		3,745,215
Finance costs: Distributions	5		(379,249)		(206,934)
Change in net assets attributable to Shareholders from investment activities			345,829		3,538,281

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		46,915,216		51,281,407
Amounts receivable on issue of shares	16,932,744		3,919,002	
Amounts payable on cancellation of shares	(10,324,626)		(12,022,744)	
		6,608,118		(8,103,742)
Dilution adjustment		21,971		783
Stamp Duty Reserve Tax		-		(2,465)
Change in net assets attributable to Shareholders from investment activities (see above)		345,829		3,538,281
Retained distributions on accumulation shares		441,767		200,952
Closing net assets attributable to Shareholders		54,332,901		46,915,216

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			20,835,254		25,715,631
Debtors	7	59,744		196,925	
Cash and bank balances	8	<u>34,808,646</u>		<u>23,070,921</u>	
Total other assets			<u>34,868,390</u>		<u>23,267,846</u>
Total assets			55,703,644		48,983,477
LIABILITIES					
Investment liabilities			(992,099)		(990,889)
Bank overdraft	8	(229,717)		(9,106)	
Creditors	9	(138,516)		(1,066,412)	
Distribution payable on income shares		<u>(10,411)</u>		<u>(1,854)</u>	
Total other liabilities			<u>(378,644)</u>		<u>(1,077,372)</u>
Total liabilities			(1,370,743)		(2,068,261)
Net assets attributable to Shareholders			<u>54,332,901</u>		<u>46,915,216</u>

*Gross of investment liabilities.

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Accumulation Shares						
Group 1	0.4413	0.0441	0.3972	0.0000	0.3972	0.1164
Group 2	0.4413	0.0441	0.3972	0.0000	0.3972	0.1164
Institutional Shares (Net Accumulation)						
Group 1	1.3898	0.1390	1.2508	0.0000	1.2508	0.9561
Group 2	1.1393	0.1139	1.0254	0.2254	1.2508	0.9561
Sterling Income Shares						
Group 1	0.4413	0.0441	0.3972	0.0000	0.3972	0.1730
Group 2	0.4413	0.0441	0.3972	0.0000	0.3972	0.1730
Institutional Shares W (Net Income)						
Group 1	1.4311	0.1431	1.2880	0.0000	1.2880	1.0608
Group 2	0.8322	0.0832	0.7490	0.5390	1.2880	1.0608
Institutional Shares W (Net Accumulation)						
Group 1	1.4588	0.1459	1.3129	0.0000	1.3129	1.0609
Group 2	0.6512	0.0651	0.5861	0.7268	1.3129	1.0609
Retail Advised Shares B (Net Income)						
Group 1	1.1627	0.1163	1.0464	0.0000	1.0464	0.7894
Group 2	1.0719	0.1072	0.9647	0.0817	1.0464	0.7894
Retail Advised Shares B (Net Accumulation)						
Group 1	1.1731	0.1173	1.0558	0.0000	1.0558	0.7920
Group 2	1.1731	0.1173	1.0558	0.0000	1.0558	0.7920

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(135,792)	23,910
Gains on derivative contracts	548,594	2,472,761
(Losses)/gains on forward currency contracts	(230,359)	991,279
Currency exchange gains	196,516	97,549
Activity charges	(27,549)	(40,095)
Net capital gains	351,410	3,545,404

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	2,732	3,066
Collective investment scheme distributions	76,505	99,933
Interest on debt securities	15,574	46,929
Interest on money market deposits	(560)	8,651
Management fee rebate	565	4,129
Other income	39	-
Overseas dividends	744,026	683,364
Returns on derivatives	126,826	-
Stock lending	952	771
UK dividends	10,126	-
Total revenue	976,785	846,843

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	547,223	588,023
Administration fees	32,595	35,985
Safe custody charges	909	1,379
	580,727	625,387
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	13,501	13,564
	13,501	13,564
Other expenses:		
Auditor's remuneration: - Audit services (audit fee)†	7,803	7,318
Financial Conduct Authority fee	277	228
	8,080	7,546
Total expenses	602,308	646,497

† The Audit services (audit fee) net of VAT for 2015 is £6,350 (2014: £6,250).

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in period:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax charge (see note 4b)	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	373,668	199,811
Corporation tax @ 20%	74,734	39,962
Effects of:		
Dividends not subject to corporation tax	(75,649)	(98,122)
Excess management expenses	915	58,160
	<u>-</u>	<u>-</u>
Total current tax charge (see note 4a)	<u>-</u>	<u>-</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £432,519 (30/06/14: £427,944), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £86,504 (30/06/14: £85,589).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Final dividend 30 June - Sterling Accumulation Shares	84,122	30,752
Final dividend 30 June - Institutional Shares (Net Accumulation)	170,273	139,572
Final dividend 30 June - Sterling Income Shares	59	46
Final dividend 30 June - Institutional Shares W (Net Income)	10,299	1,768
Final dividend 30 June - Institutional Shares W (Net Accumulation)	187,319	30,588
Final dividend 30 June - Retail Advised Shares B (Net Income)	53	40
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	53	40
	<u>452,178</u>	<u>202,806</u>
Amounts added on issue of shares	(88,860)	(24,911)
Amounts deducted on cancellation of shares	15,931	29,039
Net distributions for the year	<u>379,249</u>	<u>206,934</u>
Interest	473	535
Interest paid on derivative contracts	336	-
Total finance costs	<u>380,058</u>	<u>207,469</u>

Notes to the Financial Statements (continued)

6 Net movement between revenue after taxation and distributions

	30/06/2015 £	30/06/2014 £
Net revenue after taxation	373,668	199,811
Equalisation on conversions	5,620	7,123
Other income	(39)	-
	379,249	206,934

7 Debtors

	30/06/2015 £	30/06/2014 £
Accrued revenue	33,117	74,048
Amount receivable for issue of shares	26,627	122,131
Management fee rebate	-	746
	59,744	196,925

8 Cash & bank balances

	30/06/2015 £	30/06/2014 £
Cash held at bank	2,447,526	3,774,324
Cash held in BlackRock ICS Institutional Sterling Liquidity Fund	8,135,407	2,898,677
Cash held in Insight Investment Liquidity Fund	8,158,408	8,937,259
Cash held at LGIM Sterling Liquidity Fund	8,160,087	4,604,382
Cash held in SSGA Cash Management Fund	4,962,286	-
Cash held on margin account	2,944,932	2,856,279
	34,808,646	23,070,921

Overdrawn cash and bank balances

Overdraft position at brokers	(229,717)	(5,632)
Bank overdraft	-	(3,474)
	(229,717)	(9,106)

9 Creditors

	30/06/2015 £	30/06/2014 £
Accrued expenses	60,390	66,471
Amount payable for cancellation of shares	78,126	115,202
Purchases awaiting settlement	-	884,739
	138,516	1,066,412

Notes to the Financial Statements (continued)

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £103,921 (30/06/14: £51,595 due to the ACD).

State Street Nominees Limited had a shareholding of 80.30% of the sub-fund as at 30 June 2015 and as such is regarded as a related party in accordance with FRS 8 - "Related Party Transactions".

11 Financial instruments

Interest rate risk

The Fund invests in Collective Investment Schemes which, in themselves, invest in fixed rate securities and any change in interest rates may result in the ACD being unable to secure similar returns in the future. The interest rate profile for the relevant Collective Investment Schemes is shown in the notes to their Financial Statements.

Market Risk

The Fund uses Value at Risk (VaR) to calculate the likelihood of the Fund (including derivatives) falling in value by more than a particular level.

Under normal market conditions, VaR captures the potential fall in the value of the portfolio over a given holding period and to a given level of statistical confidence.

The Fund uses the Absolute VaR model, where it limits its VaR to 4.8% of the Net Asset Value (NAV) of the Fund, with a 99% confidence level and a 5 day holding period. The VaR model utilises an historical recalculation basis using at least one year of daily returns.

The confidence level is set at 99% meaning that we would expect losses calculated over a 5 day period to exceed the 5 day VaR calculated for that period only once every 100 trading days, other things being equal.

The holding period (5 trading days) is the time horizon over which the fall in value of individual security prices is projected.

As at the year ended 30 June 2015 the Fund had an Absolute daily VaR of 1.37%. (30/06/14: 1.79%).

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Currency Options	Total (£)
Barclays	-	27	27
Citibank	(3,076)	-	(3,076)
JP Morgan	196,246	-	196,246
HSBC	-	(10,259)	(10,259)
Royal Bank Of Canada	177,908	-	177,908
	371,078	(10,232)	360,846

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund enters into derivative transactions in the form of futures, options and forward foreign currency contracts. Forward currency contracts may be used to manage currency risk arising from holdings of overseas securities. Exchange traded index options are used for hedging purposes to protect the value of the Fund. Exchange traded futures are used by the Fund to manage market price risk of the Fund. Derivatives may be used for investment purposes as well as for efficient portfolio management.

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Foreign currency risk**

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	25,391,998	29,977,225	55,369,223	47,683,151
Australia	(12,094)	71,233	59,139	65,137
Brazil	(3,817)	141,656	137,839	105,783
Europe	(2,826,041)	2,329,231	(496,810)	(340,776)
Hong Kong	(28,194)	198,157	169,963	17,622
Japan	(360,144)	131,395	(228,749)	(220,575)
Korea	5,530	212,610	218,140	95,253
South Africa	(690,001)	(44,292)	(734,293)	105,386
Switzerland	-	59,516	59,516	-
United States of America	(1,634,082)	1,413,015	(221,067)	(595,765)
Total	19,843,155	34,489,746	54,332,901	46,915,216

12 Portfolio transaction costs

	£	30/06/2015	£	30/06/2014
		£		£
Analysis of total purchase costs:				
Purchases before transaction costs		13,286,535		31,912,907
Commissions	4,887		10,359	
Taxes	171		-	
Total purchase costs		5,058		10,359
Gross purchases total		13,291,593		31,923,266
Analysis of total sales proceeds:				
Sales before transaction costs		17,569,383		29,982,212
Commissions	(4,997)		(14,624)	
Taxes	(12)		-	
Total sales costs		(5,009)		(14,624)
Total sales net of transaction costs		17,564,374		29,967,588

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £2,443 of investments were subject to stock lending agreements and the Fund held £2,592 in collateral. The collateral was held in debt securities.

As at 30 June 2014, £908,453 of investments were subject to stock lending agreements and the Fund held £1,294,106 in collateral. The collateral is held 5.94% in debt securities and 94.06% in equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £1,190 (30/06/14: £964) and £238 (30/06/14: £193) respectively.

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has seven share classes; Sterling Accumulation Shares, Institutional Shares (Net Accumulation), Sterling Income Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Accumulation Shares	1.50%	0.10%
Institutional Shares (Net Accumulation)	0.75%	0.03%
Sterling Income Shares	1.50%	0.10%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	0.85%	0.10%
Retail Advised Shares B (Net Accumulation)	0.85%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 104 to 105. The distribution is given in the distribution statement on page 111. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT GLOBAL MULTI-STRATEGY FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£130.3m
Sector:	The Investment Association Mixed Investment 20-60% Shares
Yield as at 30 June 2015:	
Sterling Income Shares	0.07%
Sterling Accumulation Shares	0.07%
Institutional Shares (Income)	0.69%
Institutional Shares (Accumulation)	0.69%
S Shares (Net Income)	0.52%
S Shares (Net Accumulation)	0.51%
Institutional Shares W (Net Income)	0.82%
Institutional Shares W (Net Accumulation)	0.82%
Retail Advised Shares B (Net Income)	0.55%
Retail Advised Shares B (Net Accumulation)	0.53%
Key Dates: Fund Launch	09 February 2013

Investment Objective

The objective of the Fund is to achieve capital growth.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	3.35%	7.35%	n/a	n/a	n/a
Sterling Accumulation Shares*	3.33%	7.36%	n/a	n/a	n/a
Institutional Shares (Income)*	3.98%	8.08%	n/a	n/a	n/a
Institutional Shares (Accumulation)*	3.97%	8.16%	n/a	n/a	n/a
S Shares (Net Income)*	3.80%	8.59%	n/a	n/a	n/a
S Shares (Net Accumulation)*	3.79%	8.55%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	4.11%	8.26%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.11%	8.24%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.83%	8.04%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.81%	8.05%	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Retail Advised Shares B Acc Share Class of the Sub-Fund returned 3.81% against 4.66% for IA Mixed Investment 20-60% Shares.

The Fund generated a positive return over the 12 months. By maintaining allocations to investments across the asset spectrum, this diversification again added to performance over the review period. Equities, fixed income and total return strategies made positive contributions to Fund returns; however, within real assets negative commodity returns did not entirely offset gains from infrastructure holdings. Equity holdings were the most significant contributor to performance with notable gains from US and Japanese equity market exposures. Within the fixed-income allocation government bond holdings and investment grade corporate debt were the key contributors to returns. (Investment grade is debt issued by companies that is rated BBB and above by the credit rating agency Standard & Poor's.) The total return strategies were also beneficial, providing an important diversifier to returns within a portfolio context. Over the review period, total return strategies focused on the euro/US dollar, Japanese dividend futures, and the Japanese equity market were particularly positive.

In terms of activity, the fixed-income allocation broadly increased over the first half of the period under review. The manager initially built on a bias towards longer duration positions, before reducing this preference as risk aversion took hold later in 2014. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). In early 2015, the manager began to reduce the fixed-income allocation and by the end of the review period the allocation had almost halved from its peak. In equities, the manager sharply reduced the allocation in October, reflecting growing caution ahead of the completion of the 'tapering' of the US Federal Reserve (Fed) and uncertainty regarding the global economic recovery. ('Tapering' is the reduction of the Fed's quantitative easing or bond buying programme.) The manager subsequently increased the allocation, before reducing it in June again primarily due to uncertainty over Greek debt negotiations. Within real assets positions, the infrastructure allocation remained steady but the manager removed commodities exposure in October in response to the falling oil price. Commodities exposure was reinstated in May after improving economic data and signs that commodity prices were beginning to stabilise. The allocation to total return strategies varied but exposure increased overall. Specific strategies included a trade focused on the Hang Seng Index as the manager believed it would benefit from looser Chinese monetary policy (profits were later taken on the position).

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
UBS ETF Composite	UBS ETF Composite
iShares Markit iBoxx \$ Corporate Bond Fund	iShares Sterling Corporate Bond Fund
Rabobank Floating Rate Notes 15/01/16	Citibank European Certificate of Deposit 0.56% 16/6/2015
Citibank European Certificate of Deposit 0.56% 16/6/2015	Jupiter UK Special Situations Fund
Agence centrale des organismes de Securite sociale 0% Commercial Paper 17/9/2015	Insight UK Government All Maturities Bond Fund
Insight UK Government Long Maturities Bond Fund	iShares Markit iBoxx \$ Corporate Bond Fund
Svenska Handelsbanken 0.5% European Certificate of Deposit 13/4/2015	Liontrust Special Situations
Svenska Handelsbanken 0% European Certificate of Deposit 13/7/2015	Spain (Kingdom of) 3.75% Bonds 31/10/2018
GE Capital UK Funding 1% Floating Rate European Medium Term Notes 16/1/2018	Svenska Handelsbanken 0.5% European Certificate of Deposit 13/4/2015
iShares Sterling Corporate Bond Fund	SSgA US Corporate Bond Index Fund

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2013 (from 9 February)	106.69	99.13	0.3669
2014	110.62	102.55	0.0395
2015	117.26	109.28	0.1171
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	106.89	99.31	0.3678
2014	111.02	102.92	0.0388
2015	117.72	109.71	0.1161
Institutional Shares (Income)	Pence	Pence	Pence
2013 (from 9 February)	106.75	99.32	0.9239
2014	110.95	102.77	0.5144
2015	117.67	109.72	0.5682
Institutional Shares (Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	107.08	99.56	0.8869
2014	112.23	103.73	0.5182
2015	119.56	111.26	0.5766
S Shares (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	106.76	99.24	0.7276
2014	111.35	102.76	1.2615
2015	117.52	109.50	0.1804
S Shares (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	107.02	99.48	0.7294
2014	113.07	103.49	1.3964
2015	119.69	111.58	0.0813
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	106.70	99.21	0.9509
2014	110.96	102.78	0.6177
2015	117.66	109.71	0.6590
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	107.01	99.49	0.9396
2014	112.26	103.69	0.6248
2015	119.70	111.33	0.6658
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	106.65	99.14	0.7997
2014	110.83	102.68	0.3902
2015	117.56	109.62	0.4943
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	106.93	99.41	0.8026
2014	111.91	103.48	0.3854
2015	119.12	110.87	0.4906

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares			
30/06/2013	20,073,719	Pence 100.17	20,038,847
30/06/2014	18,037,485	107.21	16,825,043
30/06/2015	15,904,065	110.45	14,399,580
Sterling Accumulation Shares			
30/06/2013	39,679,984	Pence 100.36	39,538,143
30/06/2014	36,489,826	107.59	33,915,753
30/06/2015	32,450,276	111.00	29,234,658
Institutional Shares (Income)			
30/06/2013	50	Pence 100.00	50
30/06/2014	46,816	107.44	43,576
30/06/2015	55,674	110.69	50,298
Institutional Shares (Accumulation)			
30/06/2013	65,357,738	Pence 100.62	64,958,243
30/06/2014	60,871,401	108.67	56,014,817
30/06/2015	56,581,820	112.81	50,157,904
S Shares (Net Income)			
30/06/2013	1,116,145	Pence 100.29	1,112,933
30/06/2014	30,488	107.44	28,376
30/06/2015	31,405	110.67	28,376
S Shares (Net Accumulation)			
30/06/2013	19,747,475	Pence 100.54	19,642,026
30/06/2014	496,764	108.98	455,817
30/06/2015	357,993	112.92	317,038
Institutional Shares W (Net Income)			
30/06/2013	24,827	Pence 100.27	24,760
30/06/2014	1,136,822	107.42	1,058,253
30/06/2015	1,332,634	110.68	1,204,078
Institutional Shares W (Net Accumulation)			
30/06/2013	38,062	Pence 100.55	37,853
30/06/2014	21,506,260	108.68	19,788,587
30/06/2015	23,488,832	112.96	20,793,660
Retail Advised Shares B (Net Income)			
30/06/2013	5,010	Pence 100.20	5,000
30/06/2014	5,411	107.34	5,041
30/06/2015	5,602	110.60	5,065
Retail Advised Shares B (Net Accumulation)			
30/06/2013	5,023	Pence 100.46	5,000
30/06/2014	5,420	108.40	5,000
30/06/2015	95,235	112.34	84,775

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.69	1.81
Sterling Accumulation Shares	1.69	1.81
Institutional Shares (Income)	0.87	0.99
Institutional Shares (Accumulation)	0.87	0.99
S Shares (Net Income)	1.13	1.24
S Shares (Net Accumulation)	1.13	1.24
Institutional Shares W (Net Income)	0.75	0.86
Institutional Shares W (Net Accumulation)	0.75	0.86
Retail Advised Shares B (Net Income)	1.04	1.13
Retail Advised Shares B (Net Accumulation)	1.11	1.13

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds 23.33% (0.00%)			
BNZ International Funding 1.26813% European Medium Term Floating Rate Notes 29/1/2016	£1,650,000	1,654,059	1.27
BPCE 1.37125% European Medium Term Floating Rate Notes 6/3/2017	£3,000,000	3,012,420	2.31
Credit Suisse 0.88625% Floating Rate Notes 21/1/2016	£2,000,000	1,999,760	1.53
DekaBank Deutsche Girozentrale Floating Rate Notes 24/6/2016	£2,000,000	2,001,820	1.54
GE Capital UK Funding 1% Floating Rate European Medium Term Notes 16/1/2018	£3,500,000	3,499,965	2.69
ING Bank Floating Rate Notes 12/1/2016	£2,000,000	2,000,200	1.54
National Australia Bank 0.8675% Floating Rate Notes 12/8/2016	£2,000,000	2,003,420	1.54
Nederlandse Waterschapsbank 1.12063% Floating Rate Notes 25/1/2016	£2,000,000	2,006,200	1.54
NRW Bank 0.82875% Floating Rate Notes 17/1/2017	£2,000,000	2,005,200	1.54
Oversea-Chinese Banking 0.9675% Floating Rate Notes 15/5/2017	£1,700,000	1,701,547	1.30
Rabobank Floating Rate Notes 15/01/16	£5,000,000	5,001,750	3.84
Toronto-Dominion Bank 0.94875% Floating Rate European Medium Term Notes 19/1/2018	£1,500,000	1,500,000	1.15
Westpac Banking 0.91369% Floating Rate Notes 28/11/2017	£1,000,000	998,790	0.77
Westpac Securities Floating Rate Notes 23/06/17	£1,000,000	999,390	0.77
Certificate of Deposit 15.71% (0.00%)			
ABN Amro Bank 0% Certificate of Deposit 28/9/2015	£500,000	499,224	0.38
DNB Bank 0.6% Certificate of Deposit 25/8/2015	£2,000,000	2,000,328	1.53
DZ Bank 0.54% Certificate of Deposit 13/7/2015	£2,000,000	2,000,078	1.53
HSBC France 0% Certificate of Deposit 4/8/2015	£3,000,000	2,998,443	2.30
HSBC 0% Certificate of Deposit 14/9/2015	£2,000,000	1,997,516	1.53
Landesbank Hessen-Thüringen Girozentrale 0.76% Certificate of Deposit 8/12/2015	£2,000,000	1,999,874	1.53
Nation 0.5% Certificate of Deposit 27/7/2015	£1,000,000	999,998	0.77
Nordea 0.6% Certificate of Deposit 20/10/2015	£3,000,000	2,999,790	2.30
Sumito 0.56% Certificate of Deposit 5/8/2015	£1,000,000	1,000,009	0.77
Svenska Handelsbanken 0% European Certificate of Deposit 13/7/2015	£4,000,000	3,999,956	3.07
Commerical Papers 7.66% (0.00%)			
Agence centrale des organismes de Securite sociale 0% Commercial Paper 17/9/2015	£5,000,000	4,993,025	3.83
Dexia 0% Commercial Paper 14/9/2015	£2,000,000	1,997,926	1.53
Skandinavia 0% Commercial Paper 3/8/2015	£1,000,000	999,583	0.77
Standard Chartered 0% Commercial Paper 15/7/2015	£2,000,000	1,999,500	1.53
Collective Investment Schemes 19.37% (32.70%)			
BNY Mellon European Credit Fund X EUR Accumulation†	16,782	1,363,325	1.05
Insight Global UK Bond Fund S Accumulation†	5,384	5,158,253	3.96
Insight UK Corporate All Maturities Bond Fund†	6,350,317	12,017,340	9.22
Insight UK Government All Maturities Bond Fund†	2,080,564	4,002,381	3.07
Insight UK Government Long Maturities Bond Fund†	1,246,012	2,699,860	2.07
Equity 6.80% (6.32%)			
Amedeo Air Four Plus	652,112	671,675	0.51
Doric Nimrod Air One	1,158,770	1,234,090	0.95
Doric Nimrod Air Two (Private Placing)	755,907	1,799,059	1.38
Duet Real Estate Finance Fund	1,215,858	307,004	0.23
GCP Infrastructure Investments Fund	451,540	517,013	0.40
Greencoat UK Wind	622,900	691,419	0.53
NB Distressed Debt Investment Fund	3,320,263	2,258,970	1.73
TwentyFour Select Monthly Income Fund	1,414,000	1,392,790	1.07
Exchange Traded Funds 4.94% (10.17%)			
iShares Sterling Corporate Bond Fund	9,916	1,301,177	1.00
iShares Markit iBoxx \$ Corporate Bond Fund	26,907	1,892,404	1.45
UBS CMCI Composite USD Exchange Traded Fund	75,120	3,250,885	2.49

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives 0.26% (0.62%)			
Futures (0.27)% (0.26%)			
Australia 10 Year Bond Future September 2015	AUD32	25,788	0.02
Bovespa Index Future August 2015	BRL90	(4,366)	0.00
Euro Stoxx 50 September 2015	EUR149	17,945	0.01
FTSE 100 Index Future September 2015	£353	(465,770)	(0.36)
FTSE 250 Index Future September 2015	£136	(41,288)	(0.03)
FTSE Dividend Future December 2015	£584	(1,112)	0.00
FTSE/JSE TOP 40 September 2015	ZAR43	655	0.00
H-Shares Index Future July 2015	HKD19	(44,641)	(0.03)
KOSPI2 Index Future September 2015	KRW(16)	8,711	0.01
Long Gilt Future September 2015	£34	(16,020)	(0.01)
Nikkei 225 (CME) September 2015	USD68	(64,253)	(0.05)
Nikkei Dividend December 2015	JPY164	490,553	0.38
S&P TSX 60 IX Future September 2015	CAD15	(15,233)	(0.01)
S&P 500 Emini Future September 2015	USD215	(244,297)	(0.19)
SGX CNX Nifty July 2015	USD94	(389)	0.00
SPI 200 Future September 2015	AUD11	(13,039)	(0.01)
Swiss Market IX Future September 2015	CHF16	(8,920)	(0.01)
US 10 Year Note (CBT) September 2015	USD16	7,153	0.01
Options 0.42% (0.38%)			
CBOE SPX Call Option 22/7/2015 20	USD1,568	139,582	0.11
DAX Put Option 17/7/2015 11100	EUR100	129,685	0.10
ESTX 50 Put Option 21/8/2015 3325	EUR161	120,565	0.09
Euro US Dollar August 2015 1.15 (Call options)	EUR(9,500,000)	(32,165)	(0.02)
Euro US Dollar August 2015 1.08 (Put options)	EUR(9,500,000)	(43,236)	(0.03)
Euro US Dollar August 2015 1.1 (Put options)	EUR 9,500,000	75,482	0.06
FTSE 100 Call Option 18/9/2015 7100	£81	8,910	0.01
FTSE 100 Call Option 18/9/2015 7300	£(162)	(5,670)	0.00
FTSE 100 Put Option 18/9/2015 6425	£(162)	(277,020)	(0.21)
FTSE 100 Put Option 18/9/2015 6825	£81	311,850	0.24
ISHARES Call Option 18/9/2015 92	USD1,152	10,987	0.01
ISHARES Put Option 18/9/2015 86	USD(1,152)	(98,887)	(0.08)
S&P 500 Call Option 18/9/2015 2125	USD40	57,608	0.04
S&P 500 Call Option 18/9/2015 2175	USD(80)	(43,238)	(0.03)
S&P 500 Call Option 19/12/2015 2150	USD40	89,019	0.07
S&P 500 Call Option 19/12/2015 2200	USD(80)	(103,262)	(0.08)
S&P 500 Put Option 17/7/2015 2080	USD(30)	(72,525)	(0.06)
S&P 500 Put Option 21/8/2015 2090	USD(30)	(126,089)	(0.10)
S&P 500 Put Option 18/9/2015 1950	USD(80)	(159,217)	(0.12)
S&P 500 Put Option 18/9/2015 2075	USD40	172,315	0.13
S&P 500 Put Option 19/12/2015 1950	USD(80)	(298,595)	(0.23)
S&P 500 Put Option 19/12/2015 2100	USD40	282,063	0.22
S&P/ASX July 2015 5200 (Put options)	AUD(294)	(36,495)	(0.03)
S&P/ASX July 2015 5700 (Call options)	AUD294	14,943	0.01
S&P/ASX July 2015 5800 (Call options)	AUD(294)	(4,741)	0.00
SX5E DIV Call Option 16/12/2016 110	EUR645	356,886	0.27
SX5E DIV Call Option 16/12/2016 115	EUR(645)	(185,526)	(0.14)
SX5E DIV Call Option 18/12/2015 105	EUR875	596,971	0.46
SX5E DIV Call Option 18/12/2015 110	EUR(875)	(288,257)	(0.22)
SX5E DIV Put Option 16/12/2016 95	EUR(645)	(25,590)	(0.02)
SX5E DIV Put Option 18/12/2015 90	EUR(875)	(620)	0.00
US LG Put Option 21/8/2015 145	USD(140)	(93,192)	(0.07)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
Options (continued)			
US LG Put Option 21/8/2015 148	USD70	85,542	0.07
US Dollar Japanese Yen August 2015 120 (Put options)	USD(12,600,000)	(50,610)	(0.04)
US Dollar Japanese Yen August 2015 125 (Call options)	USD12,600,000	45,514	0.03
US Dollar Japanese Yen August 2015 127 (Call options)	USD(12,600,000)	(20,758)	(0.02)
AUD Forward Foreign Currency Contracts (0.03)% (0.00%)			
Forward Foreign Currency Contracts 04/09/15	AUD2,100,000	1,023,127	0.79
Forward Foreign Currency Contracts 04/09/15	£(1,064,474)	(1,064,474)	(0.82)
CAD Forward Foreign Currency Contracts (0.02)% (0.01%)			
Forward Foreign Currency Contracts 04/09/15	CAD2,100,000	1,069,111	0.82
Forward Foreign Currency Contracts 04/09/15	£(1,098,920)	(1,098,920)	(0.84)
CHF Forward Foreign Currency Contracts (0.02)% (0.01%)			
Forward Foreign Currency Contracts 04/09/15	CHF 1,150,000	784,762	0.60
Forward Foreign Currency Contracts 04/09/15	£(805,871)	(805,871)	(0.62)
EUR Forward Foreign Currency Contracts 0.16% (-0.02)%			
Forward Foreign Currency Contracts 04/09/15	£5,665,922	5,665,922	4.35
Forward Foreign Currency Contracts 04/09/15	EUR(7,700,000)	(5,462,673)	(4.19)
JPY Forward Foreign Currency Contracts (0.01)% (0.00%)			
Forward Foreign Currency Contracts 04/09/15	JPY234,500,000	1,220,063	0.94
Forward Foreign Currency Contracts 04/09/15	£(1,233,116)	(1,233,115)	(0.95)
USD Forward Foreign Currency Contracts 0.03% (-0.02)%			
Forward Foreign Currency Contracts 31/07/15	USD2,080,000	1,322,839	1.02
Forward Foreign Currency Contracts 31/07/15	ZAR (25,495,049)	(1,328,763)	(1.02)
Forward Foreign Currency Contracts 04/09/15	USD890,000	566,169	0.43
Forward Foreign Currency Contracts 04/09/15	£(580,739)	(580,739)	(0.45)
Forward Foreign Currency Contracts 04/09/15	USD(4,000,000)	(2,544,581)	(1.95)
Forward Foreign Currency Contracts 04/09/15	£2,603,113	2,603,114	2.00
Portfolio of investments*		101,727,093	78.07
Net current assets		28,576,443	21.93
Total Net Assets		130,303,536	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Overseas Government Bonds portfolio category, which, at 30 June 2014, represented 2.94% of the Total Net Assets of the Fund.

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

*Net of investment liabilities

† Considered a related party of the ACD

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		4,317,574		9,918,422
Revenue	2	2,248,007		2,395,290	
Expenses	3	(1,513,425)		(1,645,455)	
Finance costs: Interest	5	(7,242)		(2,063)	
Net revenue before taxation		727,340		747,772	
Taxation	4	-		-	
Net revenue after taxation			727,340		747,772
Total return before distributions			5,044,914		10,666,194
Finance costs: Distributions	5		(729,768)		(798,338)
Change in net assets attributable to Shareholders from investment activities			4,315,146		9,867,856

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		138,626,693		146,048,033
Amounts receivable on issue of shares	4,854,472		4,103,218	
Amounts payable on cancellation of shares	(18,200,020)		(22,104,276)	
		(13,345,548)		(18,001,058)
Stamp Duty Reserve Tax		-		(24,408)
Change in net assets attributable to Shareholders from investment activities (see above)		4,315,146		9,867,856
Retained distributions on accumulation shares		699,387		736,270
Unclaimed distributions		7,858		-
Closing net assets attributable to Shareholders		130,303,536		138,626,693

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets*			104,737,925	75,953,499
Debtors	7	65,173		444,411
Cash and bank balances	8	<u>30,156,890</u>	<u>65,664,925</u>	
Total other assets			<u>30,222,063</u>	<u>66,109,336</u>
Total assets			134,959,988	142,062,835
LIABILITIES				
Investment liabilities			(3,010,832)	(2,827,187)
Bank overdraft	8	(1,256,011)		(85,613)
Creditors	9	(368,172)		(520,964)
Distribution payable on income shares		<u>(21,437)</u>	<u>(2,378)</u>	
Total other liabilities			<u>(1,645,620)</u>	<u>(608,955)</u>
Total liabilities			(4,656,452)	(3,436,142)
Net assets attributable to Shareholders			<u>130,303,536</u>	<u>138,626,693</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.1301	0.0130	0.1171	0.0000	0.1171	0.0000
Group 2	0.1301	0.0130	0.1171	0.0000	0.1171	0.0000
Sterling Accumulation Shares						
Group 1	0.1290	0.0129	0.1161	0.0000	0.1161	0.0000
Group 2	0.1290	0.0129	0.1161	0.0000	0.1161	0.0000
Institutional Shares (Income)						
Group 1	0.3687	0.0369	0.3318	0.0000	0.3318	0.1882
Group 2	0.3444	0.0344	0.3100	0.0218	0.3318	0.1882
Institutional Shares (Accumulation)						
Group 1	0.3744	0.0374	0.3370	0.0000	0.3370	0.1903
Group 2	0.3744	0.0374	0.3370	0.0000	0.3370	0.1903
S Shares (Net Income)						
Group 1	0.2004	0.0200	0.1804	0.0000	0.1804	0.0428
Group 2	0.2004	0.0200	0.1804	0.0000	0.1804	0.0428
S Shares (Net Accumulation)						
Group 1	0.0903	0.0090	0.0813	0.0000	0.0813	0.0410
Group 2	0.0903	0.0090	0.0813	0.0000	0.0813	0.0410
Institutional Shares W (Net Income)						
Group 1	0.4003	0.0400	0.3603	0.0000	0.3603	0.2150
Group 2	0.3666	0.0367	0.3299	0.0304	0.3603	0.2150
Institutional Shares W (Net Accumulation)						
Group 1	0.4071	0.0407	0.3664	0.0000	0.3664	0.2171
Group 2	0.3712	0.0371	0.3341	0.0323	0.3664	0.2171
Retail Advised Shares B (Net Income)						
Group 1	0.3231	0.0323	0.2908	0.0000	0.2908	0.1565
Group 2	0.3231	0.0323	0.2908	0.0000	0.2908	0.1565
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3140	0.0314	0.2826	0.0000	0.2826	0.1575
Group 2	0.3140	0.0314	0.2826	0.0000	0.2826	0.1575

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Accumulation Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Institutional Shares (Income)						
Group 1	0.2627	0.0263	0.2364	0.0000	0.2364	0.0539
Group 2	0.2627	0.0263	0.2364	0.0000	0.2364	0.0539
Institutional Shares (Accumulation)						
Group 1	0.2662	0.0266	0.2396	0.0000	0.2396	0.0522
Group 2	0.1741	0.0174	0.1567	0.0829	0.2396	0.0522
S Shares (Net Income)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7499
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7499
S Shares (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7904
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7904
Institutional Shares W (Net Income)						
Group 1	0.3319	0.0332	0.2987	0.0000	0.2987	0.0754
Group 2	0.0031	0.0003	0.0028	0.2959	0.2987	0.0754
Institutional Shares W (Net Accumulation)						
Group 1	0.3327	0.0333	0.2994	0.0000	0.2994	0.0767
Group 2	0.2207	0.0221	0.1986	0.1008	0.2994	0.0767
Retail Advised Shares B (Net Income)						
Group 1	0.2261	0.0226	0.2035	0.0000	0.2035	0.0442
Group 2	0.2261	0.0226	0.2035	0.0000	0.2035	0.0442
Retail Advised Shares B (Net Accumulation)						
Group 1	0.2311	0.0231	0.2080	0.0000	0.2080	0.0448
Group 2	0.2311	0.0231	0.2080	0.0000	0.2080	0.0448

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0661
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0661
Sterling Accumulation Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0666
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0666

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares (Income)						
Group 1	0.0869	0.0087	0.0782	0.0000	0.0782	0.3208
Group 2	0.0264	0.0026	0.0238	0.0544	0.0782	0.3208
Institutional Shares (Accumulation)						
Group 1	0.0881	0.0088	0.0793	0.0000	0.0793	0.3219
Group 2	0.0000	0.0000	0.0000	0.0793	0.0793	0.3219
S Shares (Net Income)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.2441
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.2441
S Shares (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.2452
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.2452
Institutional Shares W (Net Income)						
Group 1	0.1173	0.0117	0.1056	0.0000	0.1056	0.3408
Group 2	0.0000	0.0000	0.0000	0.1056	0.1056	0.3408
Institutional Shares W (Net Accumulation)						
Group 1	0.1189	0.0119	0.1070	0.0000	0.1070	0.3306
Group 2	0.0124	0.0012	0.0112	0.0958	0.1070	0.3306
Retail Advised Shares B (Net Income)						
Group 1	0.0400	0.0040	0.0360	0.0000	0.0360	0.2804
Group 2	0.0000	0.0000	0.0000	0.0360	0.0360	0.2804
Retail Advised Shares B (Net Accumulation)						
Group 1	0.0312	0.0031	0.0281	0.0000	0.0281	0.2824
Group 2	0.0000	0.0000	0.0000	0.0281	0.0281	0.2824

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.0439	0.0044	0.0395	0.0000	0.0395	0.1122
Group 2	0.0439	0.0044	0.0395	0.0000	0.0395	0.1122
Sterling Accumulation Shares						
Group 1	0.0431	0.0043	0.0388	0.0000	0.0388	0.1126
Group 2	0.0431	0.0043	0.0388	0.0000	0.0388	0.1126
Institutional Shares (Income)						
Group 1	0.2157	0.0216	0.1941	0.0000	0.1941	0.3128
Group 2	0.2017	0.0202	0.1815	0.0126	0.1941	0.3128

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Institutional Shares (Accumulation)						
Group 1	0.2182	0.0218	0.1964	0.0000	0.1964	0.2833
Group 2	0.1424	0.0142	0.1282	0.0682	0.1964	0.2833
S Shares (Net Income)						
Group 1	0.5209	0.0521	0.4688	0.0000	0.4688	0.2302
Group 2	0.5209	0.0521	0.4688	0.0000	0.4688	0.2302
S Shares (Net Accumulation)						
Group 1	0.6278	0.0628	0.5650	0.0000	0.5650	0.2309
Group 2	0.6278	0.0628	0.5650	0.0000	0.5650	0.2309
Institutional Shares W (Net Income)						
Group 1	0.2463	0.0246	0.2217	0.0000	0.2217	0.3079
Group 2	0.1616	0.0162	0.1454	0.0763	0.2217	0.3079
Institutional Shares W (Net Accumulation)						
Group 1	0.2489	0.0249	0.2240	0.0000	0.2240	0.3082
Group 2	0.1396	0.0140	0.1256	0.0984	0.2240	0.3082
Retail Advised Shares B (Net Income)						
Group 1	0.1706	0.0171	0.1535	0.0000	0.1535	0.2485
Group 2	0.1706	0.0171	0.1535	0.0000	0.1535	0.2485
Retail Advised Shares B (Net Accumulation)						
Group 1	0.1722	0.0172	0.1550	0.0000	0.1550	0.2494
Group 2	0.1722	0.0172	0.1550	0.0000	0.1550	0.2494

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
(Losses)/gains on non-derivative securities	(197,729)	2,507,111
Gains on derivative contracts	3,271,355	8,915,615
Gains/(losses) on forward currency contracts	394,495	(1,280,156)
Currency exchange gains/(losses)	896,822	(181,231)
Activity charges	(47,369)	(42,917)
Net capital gains	4,317,574	9,918,422

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	7,138	775
Collective investment scheme distributions	725,485	1,166,199
Interest on debt securities	228,869	140,243
Management fee rebate	31,864	56,809
Overseas dividends	1,034,896	1,021,105
Returns on derivatives	180,918	-
Stock lending	9,905	10,159
UK dividends	28,932	-
Total revenue	2,248,007	2,395,290

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	1,395,880	1,525,260
Administration fees	78,032	83,084
Safe custody charges	6,758	4,092
	1,480,670	1,612,436
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	22,691	23,206
Distribution reconciliation service	306	705
	22,997	23,911
Other expenses:		
Auditor's remuneration: - Audit services (audit fee)†	9,481	8,880
Financial Conduct Authority fee	277	228
	9,758	9,108
Total expenses	1,513,425	1,645,455

† The Audit services (audit fee) net of VAT for 2015 is £7,700 (2014: £7,600).

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in period:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	-	-
Total current tax charge (see note 4b)	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>727,340</u>	<u>747,772</u>
Corporation tax @ 20%	145,468	149,554
Effects of:		
Dividends not subject to corporation tax	(103,737)	(185,945)
Excess management expenses	(41,731)	36,391
Total current tax charge (see note 4a)	<u>-</u>	<u>-</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £149,194 (30/06/14: £357,847), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £29,839 (30/06/14: £71,572).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 30 September - Sterling Income Shares	6,407	21,642
Interim dividend 30 September - Sterling Accumulation Shares	12,737	42,531
Interim dividend 30 September - Institutional Shares (Income)	84	15
Interim dividend 30 September - Institutional Shares (Accumulation)	107,647	175,917
Interim dividend 30 September - S Shares (Net Income)	133	2,544
Interim dividend 30 September - S Shares (Net Accumulation)	2,241	44,150
Interim dividend 30 September - Institutional Shares W (Net Income)	2,273	76
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	45,127	4,519
Interim dividend 30 September - Retail Advised Shares B (Net Income)	8	12
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	8	12
Interim dividend 31 December - Sterling Income Shares	-	11,978
Interim dividend 31 December - Sterling Accumulation Shares	-	24,434
Interim dividend 31 December - Institutional Shares (Income)	39	171
Interim dividend 31 December - Institutional Shares (Accumulation)	42,343	192,047
Interim dividend 31 December - S Shares (Net Income)	-	2,627
Interim dividend 31 December - S Shares (Net Accumulation)	-	46,241
Interim dividend 31 December - Institutional Shares W (Net Income)	1,061	256

Notes to the Financial Statements (continued)**5 Finance costs (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	22,878	7,025
Interim dividend 31 December - Retail Advised Shares B (Net Income)	2	14
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	2	14
Interim dividend 31 March - Sterling Income Shares	-	-
Interim dividend 31 March - Sterling Accumulation Shares	-	-
Interim dividend 31 March - Institutional Shares (Income)	118	44
Interim dividend 31 March - Institutional Shares (Accumulation)	124,613	30,133
Interim dividend 31 March - S Shares (Net Income)	-	213
Interim dividend 31 March - S Shares (Net Accumulation)	-	3,678
Interim dividend 31 March - Institutional Shares W (Net Income)	3,191	831
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	62,108	15,824
Interim dividend 31 March - Retail Advised Shares B (Net Income)	10	2
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	18	2
Final dividend 30 June - Sterling Income Shares	16,866	-
Final dividend 30 June - Sterling Accumulation Shares	33,954	-
Final dividend 30 June - Institutional Shares (Income)	167	82
Final dividend 30 June - Institutional Shares (Accumulation)	169,018	106,582
Final dividend 30 June - S Shares (Net Income)	51	12
Final dividend 30 June - S Shares (Net Accumulation)	258	187
Final dividend 30 June - Institutional Shares W (Net Income)	4,338	2,276
Final dividend 30 June - Institutional Shares W (Net Accumulation)	76,195	42,966
Final dividend 30 June - Retail Advised Shares B (Net Income)	15	8
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	240	8
	734,150	779,073
Amounts added on issue of shares	(4,382)	(8,699)
Amounts deducted on cancellation of shares	-	27,964
Net distributions for the year	729,768	798,338
Interest	7,242	1,482
Interest paid on derivative contracts		581
Total finance costs	737,010	800,401

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	727,340	747,772
Equalisation on conversions	2,428	9,677
Transferred from capital distribution deficit	-	40,889
	729,768	798,338

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	65,073	234,423
Amount receivable for issue of shares	100	209,988
	65,173	444,411

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	671,475	10,995,248
Cash held in BlackRock ICS Institutional Sterling Liquidity Fund	-	7,232,522
Cash held in Insight Euro Liquidity Fund	6,610,066	26,357,211
Cash held in Insight Investment Liquidity Fund	11,484,465	9,604,638
Cash held in Insight US Dollar Liquidity Fund	3,239,389	2,494,486
Cash held on margin account	8,151,495	8,980,820
	30,156,890	65,664,925
Overdrawn cash and bank balances		
Overdraft position at brokers	(1,253,588)	(85,613)
Bank overdraft	(2,423)	-
	(1,256,011)	(85,613)

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	136,586	138,428
Amount payable for cancellation of shares	231,586	382,536
	368,172	520,964

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £357,601 (30/06/14: £302,084).

11 Financial instruments**Interest rate risk**

The Fund invests in Collective Investment Schemes which, in themselves, invest in fixed rate securities and any change in interest rates may result in the ACD being unable to secure similar returns in the future. The interest rate profile for the relevant Collective Investment Schemes is shown in the notes to their financial statements.

Market Risk

The Fund uses Value at Risk (VaR) to calculate the likelihood of the Fund (including derivatives) falling in value by more than a particular level.

Under normal market conditions, VaR captures the potential fall in the value of the portfolio over a given holding period and to a given level of statistical confidence.

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk (continued)

The Fund uses the Absolute VaR model, limits its VaR to 4.8% of the Net Asset Value (NAV) of the Fund, with a 99% confidence level and a 5 day holding period. The VaR model utilises an historical recalculation basis using at least one year of daily returns.

The confidence level is set at 99% meaning that we would expect losses calculated over a 5 day period to exceed the 5 day VaR calculated for that period only once every 100 trading days, other things being equal.

The holding period (5 trading days) is the time horizon over which the fall in value of individual security prices is projected.

As at the year ended 30 June 2015 the Fund had an absolute daily VaR of 1.90% (30/06/14: 2.39%).

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Currency Options	Total (£)
Barclays	-	81	81
Citibank	(5,924)	-	(5,924)
Goldman Sachs	58,533	-	58,533
HSBC	-	(25,854)	(25,854)
JP Morgan	(21,109)	-	(21,109)
Royal Bank of Canada	173,440	-	173,440
Royal Bank of Scotland	(68,969)	-	(68,969)
	135,971	(25,773)	110,198

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund enters into derivative transactions in the form of futures, options and forward foreign currency contracts. Forward currency contracts may be used to manage currency risk arising from holdings of overseas securities. Exchange traded index options are used for hedging purposes to protect the value of the Fund. Exchange traded futures are used by the Fund to manage market price risk of the Fund. Derivatives may be used for investment purposes as well as for efficient portfolio management

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	85,812,174	20,583,929	106,396,103	108,745,597
Australia	1,009,582	166,441	1,176,023	1,411,787
Brazil	(4,366)	267,728	263,362	307,692
Canada	1,053,879	328,430	1,382,309	1,619,381
Europe	3,232,858	(515,143)	2,717,715	287,155
Hong Kong	(44,641)	342,628	297,987	(76,460)
Japan	1,710,616	202,278	1,912,894	2,515,619
Korea	8,711	540,805	549,516	184,437
South Africa	(1,328,108)	1,569	(1,326,539)	59,797
Switzerland	775,842	465,437	1,241,279	1,467,116
United States of America	9,500,546	6,192,341	15,692,887	22,104,572
Total	101,727,093	28,576,443	130,303,536	138,626,693

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		156,008,992		199,186,199
Commissions	6,749		38,915	
Taxes	-		3	
Total purchase costs		6,749		38,918
Gross purchases total		156,015,741		199,225,117
Analysis of total sales proceeds:				
Sales before transaction costs		133,707,265		219,840,059
Commissions	(10,406)		(42,528)	
Taxes	(45)		(5)	
Total sales costs		(10,451)		(42,533)
Total sales net of transaction costs		133,696,814		219,797,526

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date. (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £1,214,138 of investments were subject to stock lending agreements and the Fund held £1,279,597 in collateral. The collateral is held in 0.80% in equity and 99.20% in debt securities..

As at 30 June 2014, £868,604 of investments were subject to stock lending agreements and the Fund held £913,099 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £12,381 (30/06/14: £12,699) and £2,476 (30/06/14: £2,540) respectively.

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Sterling Accumulation Shares, Institutional Shares (Income), Institutional Shares (Accumulation), S Shares (Net Income), S Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Sterling Accumulation Shares	1.50%	0.10%
Institutional Shares (Income)	0.75%	0.03%
Institutional Shares (Accumulation)	0.75%	0.03%
S Shares (Net Income)	1.00%	0.03%
S Shares (Net Accumulation)	1.00%	0.03%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	0.85%	0.10%
Retail Advised Shares B (Net Accumulation)	0.85%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 122. The distributions are given in the distribution statements on pages 129 to 132. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT INFLATION-LINKED CORPORATE BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: Insight Investment Management (Global) Limited

Fund Size: £47.11m

Sector: The Investment Association £ Strategic Bond

Yield as at 30 June 2015:

Sterling Income Shares	2.36%
Sterling Accumulation Shares	2.36%
Institutional Shares (Net Income)	3.04%
Institutional Shares (Net Accumulation)	3.04%
Institutional Shares W (Net Income)	3.02%
Institutional Shares W (Net Accumulation)	3.02%
Retail Advised Shares B (Net Income)	2.73%
Retail Advised Shares B (Net Accumulation)	2.73%
X Shares (Net Accumulation)	3.66%
Institutional F Shares (Net Income)	3.11%
Institutional F Shares (Net Accumulation)	3.11%

Key Dates: Fund Launch 09 February 2013

Investment Objective

The objective of the Fund is to generate attractive returns relative to UK inflation levels over the medium to long term.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	-0.27%	6.68%	n/a	n/a	n/a
Sterling Accumulation Shares*	-0.27%	6.68%	n/a	n/a	n/a
Institutional Shares (Net Income)*	0.26%	7.25%	n/a	n/a	n/a
Institutional Shares (Net Accumulation)*	0.26%	7.24%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	0.26%	7.26%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	0.26%	7.27%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	0.01%	7.00%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	0.02%	6.99%	n/a	n/a	n/a
X Shares (Net Accumulation)*	0.66%	n/a	n/a	n/a	n/a
Institutional F Shares (Net Income)*	n/a	n/a	n/a	n/a	n/a
Institutional F Shares (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Acc Share Class of the Fund returned -0.27% against 2.42% for the IA £ Strategic Bond Sector.

The Fund produced a small negative return over the 12-month period. Falling government bond yields were a positive contributor to performance; however this was offset by a reduction in the cost of inflation protection (protection against inflation or the rise of prices of goods and services) and a widening of credit spreads (difference in yield between two bonds of similar maturity but different credit quality).

Initially, government bond yields fell, along with the cost of inflation protection as investors were concerned that the drop in commodity prices was signalling a period of weaker economic growth. This was a positive period for Fund performance. A stabilisation of commodity prices in early 2015 combined with a policy response from the European Central Bank and investors taking stock of the absolute level of bond yields prompted a rise in bond yields later during the period under review. The rise in government bond yields detracted from performance, although this was partially offset by a rise in the cost of inflation protection. Duration was managed actively over the period under review, with the Fund ending the period with a longer duration position. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates).

The Fund switched its holding in long-dated UK inflation back into the 10-year part of the yield curve during the final three months of 2014 and sold UK inflation exposure into the US market as the spread between the two markets reached the highest level for a year. (The yield curve is the graphic depiction of the relationship between the yields on bonds of the same issuer but different maturities. It can be used as an indicator of future interest rates.) By the end of the period under review, inflation protection owned by the Fund broadly comprised a mixture of short-dated UK exposure and medium-dated US exposure. Credit yield spreads widened over the review period and detracted from overall returns.

Within credit, holdings were rotated from euro-denominated bonds to US dollar-denominated bonds as the manager considered the latter was offering more attractive valuations. The Fund had a significant allocation to asset-backed securities while retaining a preference for financial bonds over non-financial securities. The manager added new bonds issued by banks, such as Commerzbank, Credit Agricole, JP Morgan, Abbey, ABN and switched a holding in Santander UK into ING, a Dutch banking group. Elsewhere, the manager increased holdings in bonds issued by companies, such as South American multi-brand retailer Cencosud and Mondelez, an international food and beverage company. The exposure to high yield debt was reduced early in the period under review, partly by acquiring iTraxx Cross protection and also by selling the Fund's holding in Tullow Oil and Petrobras, a Brazilian integrated oil and gas company. (High yield is debt issued by companies that is rated below BBB by Standard & Poor's.) The manager sold at a profit the holding in Talisman Finance, a German commercial mortgage-backed security. Also sold was the exposure to Jaguar Land Rover as it failed to perform

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

Purchases	Sales
Treasury 1.25% Index Linked Gilt 22/11/2017	Treasury 1.25% Index Linked Gilt 22/11/2017
Treasury 0.125% Index Linked Gilt 22/11/2019	Treasury 0.125% Index Linked Gilt 22/11/2019
Treasury 3.5% Index Linked Gilt 22/1/2045	Treasury 3.5% Index Linked Gilt 22/1/2045
Treasury 0.125% Index Linked Gilt 22/3/2024	Treasury 0.125% Index Linked Gilt 22/3/2024
European Investment Bank 5.375% Guaranteed Bonds 7/6/2021	European Investment Bank 5.375% Guaranteed Bonds 7/6/2021
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/4/2021	Commonwealth Bank of Australia 2% Guaranteed European Medium Term Bonds 22/4/2027
Kennedy Wilson 3.95% Senior Bonds 30/6/2022	Credit Suisse 1.25% Senior European Medium Term Notes 14/4/2022
National Australia Bank 3% European Medium Term Bonds 4/9/2026	Treasury 0.125% Index Linked Gilt 22/3/2029
US Treasury 0.625% Notes 15/1/2024	Jaguar Land Rover 3.5% Senior Bonds 15/3/2020
Verizon Communications 4.672% Bonds 15/3/2055	Talanx Finanz 8.3673% Guaranteed Floating Rate European Medium Term Bonds 15/6/2042

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2013 (from 9 February)	104.20	97.85	2.1974
2014	103.81	99.92	2.3554
2015	102.54	100.61	0.4304
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	104.20	98.63	2.2095
2014	106.58	102.15	2.4216
2015	107.27	105.26	0.4508
Institutional Shares (Net Income)	Pence	Pence	Pence
2013 (from 9 February)	104.34	97.85	2.6861
2014	104.01	99.92	2.9050
2015	102.70	100.87	0.7029
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2013 (from 9 February)	104.34	98.84	2.6998
2014	107.62	102.65	2.9944
2015	108.53	106.60	0.7404
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	104.39	97.89	2.6934
2014	104.06	99.96	2.9060
2015	102.75	100.92	0.7019
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	104.39	98.88	2.7092
2014	107.69	102.70	3.0083
2015	108.61	106.67	0.7462
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	104.33	97.89	2.4680
2014	103.97	99.96	2.6526
2015	102.67	100.80	0.5729
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	104.33	98.79	2.4838
2014	107.19	102.47	2.7352
2015	108.01	106.04	0.6110
X Shares (Net Accumulation)	Pence	Pence	Pence
2013 (from 6 November)	100.50	99.26	0.5140
2014	104.56	99.35	3.3271
2015	105.62	103.69	0.9288
Institutional F Shares (Net Income)	Pence	Pence	Pence
2015 (from 8 April)	100.25	98.49	0.1182
Institutional F Shares (Net Accumulation)	Pence	Pence	Pence
2015 (from 8 April)	100.25	98.49	0.1182

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares			
30/06/2013	13,085,854	Pence 97.53	13,417,036
30/06/2014	12,136,453	101.80	11,921,288
30/06/2015	10,075,519	100.09	10,066,817
Sterling Accumulation Shares			
30/06/2013	15,274,348	Pence 98.47	15,511,011
30/06/2014	14,069,222	105.30	13,361,442
30/06/2015	15,322,202	105.15	14,571,141
Institutional Shares (Net Income)			
30/06/2013	11,661	Pence 97.52	11,957
30/06/2014	12,172	101.80	11,957
30/06/2015	17,083	100.08	17,070
Institutional Shares (Net Accumulation)			
30/06/2013	10,441	Pence 98.69	10,580
30/06/2014	11,297	106.08	10,650
30/06/2015	11,421	106.50	10,724
Institutional Shares W (Net Income)			
30/06/2013	24,465	Pence 97.56	25,076
30/06/2014	5,168,428	101.85	5,074,702
30/06/2015	7,325,978	100.12	7,316,909
Institutional Shares W (Net Accumulation)			
30/06/2013	90,406	Pence 98.73	91,571
30/06/2014	320,139	106.14	301,622
30/06/2015	11,126,044	106.57	10,440,280
Retail Advised Shares B (Net Income)			
30/06/2013	4,879	Pence 97.58	5,000
30/06/2014	5,218	101.85	5,123
30/06/2015	13,997	100.13	13,979
Retail Advised Shares B (Net Accumulation)			
30/06/2013	4,932	Pence 98.64	5,000
30/06/2014	5,289	105.78	5,000
30/06/2015	5,297	105.94	5,000
X Shares (Net Accumulation)			
30/06/2014	3,178,611	Pence 102.88	3,089,566
30/06/2015	3,204,140	103.71	3,089,566
Institutional F Shares (Net Income)			
30/06/2015	4,914	Pence 98.28	5,000
Institutional F Shares (Net Accumulation)			
30/06/2015	4,920	Pence 98.40	5,000

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.36	1.36
Sterling Accumulation Shares	1.36	1.36
Institutional Shares (Net Income)	0.69	0.70
Institutional Shares (Net Accumulation)	0.69	0.70
Institutional Shares W (Net Income)	0.69	0.75
Institutional Shares W (Net Accumulation)	0.69	0.75
Retail Advised Shares B (Net Income)	1.01	1.00
Retail Advised Shares B (Net Accumulation)	1.01	1.00
X Shares (Net Accumulation)	0.19	0.20
Institutional F Shares (Net Income)	0.57	n/a
Institutional F Shares (Net Accumulation)	0.57	n/a

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

The Ongoing Charges figure for Institutional F Shares (Net Income) and (Net Accumulation) has been annualised as the share class launched during the year. The comparative figure for X Shares (Net Accumulation) 30/06/2014 has been annualised, as the share class launched within the previous period.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds 6.25% (0.00%)			
Italy (Republic) 6% Bonds 4/8/2028	£121,000	144,110	0.31
US Treasury 0.625% Notes 15/1/2024	USD4,072,200	2,667,632	5.66
US Treasury 1.375% Notes 15/2/2044	USD191,000	130,824	0.28
 Sterling Denominated Corporate Bonds 67.40% (64.49%)			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£656,000	681,504	1.45
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/4/2021	£1,000,000	1,159,867	2.46
ABP Finance 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£140,000	172,068	0.37
Affinity Water Programme Finance 1.548% Index Linked Bonds 1/6/2045	£500,000	664,612	1.41
AIG 5% Guaranteed Senior European Medium Term Bonds 26/4/2023	£400,000	450,891	0.96
Allianz Finance II 4.5% Guaranteed Bonds 13/3/2043	£500,000	556,947	1.18
Anglian Water Services 3.07% Index Linked Bonds 30/7/2032	£330,000	672,656	1.43
Annington Finance No 4 8.07% Guaranteed Bonds 10/1/2023	£320,000	414,578	0.88
Aster Treasury 4.5% Senior Notes 18/12/2043	£600,000	666,120	1.41
AT&T 4.875% Senior Bonds 1/6/2044	£147,000	147,220	0.31
Aviva 5.9021% Guaranteed Perpetual Subordinated Floating Rate Bonds	£180,000	188,109	0.40
Aviva 6.125% Guaranteed Perpetual Floating Rate Bonds	£450,000	472,710	1.00
AXA 5.453% Subordinated Perpetual Floating Rate Notes	£472,000	479,009	1.02
Barclays 10% Guaranteed Subordinated European Medium Term Bonds 21/5/2021	£218,000	282,860	0.60
BL Superstore Finance 5.578% Guaranteed Asset Backed Bonds 4/10/2030	£370,000	416,550	0.88
BPCE 5.25% Subordinated Notes 16/4/2029	£600,000	620,667	1.32
Channel Link Enterprises Finance 3.93225% Guaranteed Floating Rate Bonds 30/6/2050	£428,000	428,781	0.91
Circle Anglia Social Housing 5.2% European Medium Term Notes 2/3/2044	£300,000	356,964	0.76
Commonwealth Bank of Australia 3% Guaranteed European Medium Term Bonds 4/9/2026	£1,090,000	1,118,787	2.37
CPUK Finance 2.666% European Medium Term Notes 28/2/2042	£454,000	452,397	0.96
Delamare Finance 6.067% Guaranteed Bonds 19/2/2029	£180,000	182,639	0.39
Dwr Cymru Financing 3.514% Index Linked Medium Term Notes 31/3/2030	£270,000	559,383	1.19
Electricité de France 6% Perpetual Subordinated Floating Rate Bonds	£400,000	405,007	0.86
Equity Release 5.05% Guaranteed Mortgage Backed Bonds 26/4/2033	£460,000	537,121	1.14
Eurosail 1.34125% Floating Rate Mortgage Backed Bonds 13/9/2045	£200,963	191,320	0.41
Gatwick Funding 6.125% Guaranteed Senior European Medium Term Bonds 2/3/2028	£520,000	632,607	1.34
Gemgarto 2.64356% Floating Rate Notes 16/2/2047	£250,000	251,550	0.53
Goldman Sachs 7.25% Guaranteed Senior Bonds 10/4/2028	£430,000	574,041	1.22
Great Rolling Stock 6.5% Guaranteed Senior European Medium Term Bonds 5/4/2031	£533,500	665,939	1.41
Health Care REIT 4.8% Senior Notes 20/11/2028	£500,000	537,955	1.14
Heathrow Funding 6% Guaranteed European Medium Term Bonds 20/3/2020	£100,000	112,513	0.24
Heathrow Funding 7.125% Guaranteed European Medium Term Bonds 14/2/2024	£600,000	738,616	1.57
HSBC 6% Guaranteed Subordinated European Medium Term Bonds 29/3/2040	£500,000	566,774	1.20
Imperial Tobacco Finance 4.875% Guaranteed European Medium Term Notes 7/6/2032	£600,000	627,203	1.33
Intu (SGS) Finance 3.875% Guaranteed Senior European Medium Term Bonds 17/3/2028	£550,000	561,761	1.19
JPMorgan Chase 1.875% European Medium Term Notes 10/2/2020	£240,000	235,208	0.50
Juturna Euro Loan 5.0636% European Medium Term Notes 10/8/2033	£138,784	158,215	0.34
Kelda Finance 3 5.75% Guaranteed Senior Notes 17/2/2020	£200,000	208,234	0.44
Kennedy Wilson 3.95% Senior Bonds 30/6/2022	£870,000	857,855	1.82
Koninklijke KPN 5% Guaranteed Senior European Medium Term Bonds 18/11/2026	£450,000	481,544	1.02
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£150,000	169,047	0.36
Land Securities Capital Markets 5.125% Senior Floating Rate European Medium Term Bonds 7/2/2036	£250,000	299,013	0.63
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£350,000	690,130	1.47
Moyle Interconnector 2.9376% Guaranteed Index Linked Bonds 31/3/2033	£328,092	552,002	1.17
Nataional Grid 2.983% Senior Index Linked Bonds 8/7/2018	£380,000	607,137	1.29
National Australia Bank 3% European Medium Term Bonds 4/9/2026	£1,060,000	1,092,157	2.32
Newday 2014-1 0% Assets Backed Floating Rate Notes 15/12/2017	£500,000	501,864	1.07

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds (continued)			
Punch Taverns Finance 7.274% Guaranteed Bonds 15/10/2026	£221,400	247,501	0.53
QBE Capital Funding 7.5% Variable Rate Guaranteed Bonds 24/5/2041	£300,000	334,931	0.71
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	£200,000	196,995	0.42
RSA Insurance 6.701% Guaranteed Perpetual Floating Rate Bonds	£100,000	104,833	0.22
Santander 7.375% Bonds 24/6/2049	£213,000	212,467	0.45
Scentre Management 2.375% Bonds 8/4/2022	£550,000	531,454	1.13
Scottish Widows 5.5% Bonds 16/6/2023	£160,000	165,319	0.35
Scottish Widows 7% Subordinated Bonds 16/6/2043	£400,000	463,589	0.98
Severn Trent Finance 3.86% Floating Rate Notes 30/5/2028	£330,000	676,886	1.44
Slate 2.02063% Floating Rate Notes 24/1/2051	£200,000	202,237	0.43
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£700,000	703,851	1.49
Southern Water Services 5.0259% Index Linked Bond 31/3/2023	£350,000	612,307	1.30
Southern Water Services Finance 4.5% Senior Floating Rate European Bonds 31/3/2038	£200,000	205,435	0.44
Telefonica Emisiones 5.289% Guaranteed European Medium Term Bonds 9/12/2022	£300,000	330,976	0.70
Telefonica Emisiones 5.445% Guaranteed European Medium Term Bonds 8/10/2029	£100,000	110,058	0.23
Telereal Securitisation 5.4252% Guaranteed Asset Backed Bonds 10/12/2033	£182,020	202,849	0.43
Telereal Securitisation 6.1645% Guaranteed Asset Backed Bonds 10/12/2033	£268,240	316,697	0.67
Tesco Property Finance 4 5.8006% Guaranteed Mortgage Backed Bonds 13/10/2040	£98,862	94,224	0.20
Tesco Property Finance 5 5.6611% Guaranteed Mortgage Backed Bonds 13/10/2041	£533,362	498,459	1.06
Thames Water Utilities 3.375% Notes 21/7/2021	£7,000	12,112	0.03
Unique Pub Finance 5.659% Bonds 30/6/2027	£71,492	71,992	0.15
Virgin Media 5.125% Bonds 15/1/2025	£216,000	212,825	0.45
Wales & West Utilities Finance 6.75% Guaranteed Floating Rate European 17/12/2036	£142,000	159,940	0.34
Western Power Distribution West Midlands 3.875% Senior European Notes 17/10/2024	£100,000	105,166	0.22
WHG Treasury 4.25% Senior Bonds 6/10/2045	£400,000	415,604	0.88
White City Property Finance 5.1202% Guaranteed Bonds 17/4/2035	£472,832	544,100	1.16
Yorkshire Water Services Bradford Finance 2.718% Index Linked Bonds 30/12/2039	£350,000	621,466	1.32
Non-Sterling Denominated Corporate Bonds 22.80% (30.01%)			
ABN AMRO 2.875% European Medium Term Notes 30/6/2025	EUR313,000	223,921	0.48
Access Midstream Partners 4.875% Bonds 15/3/2024	USD70,000	43,731	0.09
AT&T 4.75% Notes 15/5/2046	USD452,000	261,530	0.55
Babson 2.6310% European Floating Rate CLO Notes 15/4/2027	EUR250,000	177,270	0.38
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD690,000	499,632	1.06
BBVA-5 FTPYME Fondo de Titulizacion de Activos 0.186% Floating Rate Notes 15/3/2039	EUR57,249	40,501	0.09
Carlyle Floating Rate Notes 15/7/2027	USD750,000	476,887	1.01
Carlyle Global Market Strategies European Collateral 2.661% Floating Rate Notes 15/4/2027	EUR200,000	142,144	0.30
Carlyle Global Marktes 3.11958% Floating Rate Notes 16/4/2029	EUR200,000	142,436	0.30
Carlyle Global Marktes 4.019580% Guaranteed Senior Floating Rate Notes 16/4/2029	EUR250,000	177,815	0.38
Cencosud 5.15% Bonds 12/2/2025	USD331,000	212,074	0.45
Channel Link 3.426% Guaranteed Bonds 30/6/2050	EUR110,000	77,930	0.17
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR300,000	253,853	0.54
Credit Agricole 4.375% Subordinated Bonds 17/3/2025	USD1,010,000	615,184	1.30
Credit Suisse Group Funding Guernsey 4.875% Bonds 15/5/2045	USD570,000	348,724	0.74
CVC Cordatus Loan Fund III 2.766% Floating Rate Notes 8/7/2027	EUR100,000	70,901	0.15
Deco Bonn 1.8920 % Floating Rate Mortgage Backed Notes 7/11/2024	EUR644,573	457,617	0.97
Delta Spark 0.575% Asset Backed Floating Rate Notes 22/7/2023	EUR636,802	433,106	0.92
Dilosk 2.1830% Floating Rate Mortgage Backed Notes 28/2/2051	EUR300,000	212,588	0.45
E.ON International Finance 6.65% Guaranteed Bonds 30/4/2038	USD600,000	459,016	0.97
Electricite de France 6% Bonds 22/1/2114	USD315,000	213,265	0.45
Empresas Hipotecario Fondo de Titulizacion de Activos 0.179% Floating Rate Notes 28/1/2040	EUR128,828	89,404	0.19
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD600,000	367,123	0.78
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR400,000	319,165	0.68
Fibria Overseas Finance 5.25% Guaranteed Senior Bonds 12/5/2024	USD170,000	108,365	0.23

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non-Sterling Denominated Corporate Bonds (continued)			
General Electric 1.875% Bonds 28/5/2027	EUR322,000	224,693	0.48
German Residential Funding 2.988% Floating Rate Notes 27/11/2024	EUR488,309	355,028	0.75
ING Bank 5.8% Bonds 25/9/2023	USD700,000	486,000	1.03
Kinder Morgan 2.25% Bonds 16/3/2027	EUR363,000	238,421	0.51
Kinder Morgan 5.55% Bonds 1/6/2045	USD340,000	199,820	0.42
Lansdowne 0.326% Floating Rate Mortgage Backed Notes 16/9/2048	EUR424,473	229,756	0.49
Morgan 3.95% Bonds 23/4/2027	USD224,000	134,296	0.29
Perp Trust-IM Variable 3.1133% Bonds 7/11/2039	AUD580,523	267,641	0.57
Silverback Finance 3.7529% Bonds 25/5/2039	EUR300,000	199,005	0.42
St Pauls 2.598% Floating Rate Notes 25/4/2028	EUR250,000	177,358	0.38
Taurus 2.738% Floating Rate Mortgage Backed Notes 21/5/2024	EUR289,705	210,698	0.45
Unitymedia Hessen/Unitymedia 3.5% Bonds 15/1/2027	EUR330,000	227,965	0.48
Utrecht Funding 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR 922,055	654,597	1.39
Verizon Communications 4.672% Bonds 15/3/2055	USD1,241,000	686,471	1.46
Verizon Communications 6.55% Senior Notes 15/9/2043	USD34,000	25,289	0.05
Derivatives -2.09% (-0.96%)			
Interest Rate Swaps -2.22% (-1.14%)			
Receive UK RPI GBP 6 Months Pay 2.649% 25/2/2020	£2,500,000	32,048	0.07
Receive UK RPI GBP 6 Months Pay 2.695% 26/3/2020	£2,500,000	21,864	0.05
Receive UK RPI GBP 6 Months Pay 3.095% 27/6/2049	£3,900,000	(130,514)	(0.28)
Receive UK RPI GBP 6 Months Pay 3.31% 07/2/2019	£16,600,000	(925,121)	(1.96)
Receive RPI GBP 12 Months Pay 2.2375 % 22/12/2016	£2,000,000	(16,482)	(0.03)
Receive RPI GBP 12 Months Pay 2.225 % 19/12/2016	£1,000,000	(7,990)	(0.02)
Receive RPI GBP 12 Months Pay 3.11% 08/10/2024	£4,425,000	(57,710)	(0.12)
Receive RPI GBP 12 Months Pay 3.158% 21/10/2024	£1,500,000	35,210	0.07
Receive RPI USD 12 Months Pay 2.25% 23/10/2024	USD2,600,000	(57,322)	(0.13)
Receive LIBOR USD 6 Months Pay 2.572% 05/5/2045	USD1,400,000	58,979	0.13
Credit Default Swaps -0.54% (0.00%)			
Tesco Plc 1.00% 20/12/2019 Credit Default Swap	EUR300,000	6,581	0.01
Markit CDX North American High Yield 5% 20.06.2020 Credit Default Swap	USD693,000	(28,001)	(0.06)
Markit CDX North American High Yield 5% 20.06.2020 Credit Default Swap	USD495,000	(20,001)	(0.04)
iTraxx Euro 5.00% 20/6/2020	EUR700,000	(37,924)	(0.08)
iTraxx Euro 5.00% 20/6/2020	EUR1,300,000	(70,430)	(0.15)
iTraxx Euro 5.00% 20/6/2020	EUR1,900,000	(102,936)	(0.22)
Futures 0.14% (-0.11%)			
Euro-Bobl Future September 2015	EUR3	(43)	0.00
Euro-Bund Future September 2015	EUR(17)	1,757	0.00
Euro-Schatz Future September 2015	EUR(3)	(85)	0.00
Long Gilt Future September 2015	£(39)	(14,255)	(0.03)
US 10 Year Note (CBT) September 2015	USD(74)	49,626	0.11
US 5 Year Note (CBT) September 2015	USD(11)	656	0.00
US Ultra Bond (CBT) September 2015	USD(10)	30,203	0.06
AUD Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 28/07/15	£258,530	258,530	0.55
Forward Foreign Currency Contracts 28/07/15	AUD(530,000)	(258,663)	(0.55)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
EUR Forward Foreign Currency Contracts 0.13% (0.08%)			
Forward Foreign Currency Contracts 10/07/15	£624,556	624,556	1.32
Forward Foreign Currency Contracts 10/07/15	EUR(878,000)	(622,136)	(1.32)
Forward Foreign Currency Contracts 10/07/15	£833,608	833,608	1.77
Forward Foreign Currency Contracts 10/07/15	EUR(1,164,000)	(824,791)	(1.75)
Forward Foreign Currency Contracts 10/07/15	EUR133,000	94,242	0.20
Forward Foreign Currency Contracts 10/07/15	£(96,094)	(96,094)	(0.20)
Forward Foreign Currency Contracts 24/07/15	£287,179	287,179	0.61
Forward Foreign Currency Contracts 24/07/15	EUR(398,000)	(282,098)	(0.60)
Forward Foreign Currency Contracts 24/07/15	£1,379,388	1,379,388	2.92
Forward Foreign Currency Contracts 24/07/15	EUR(1,895,000)	(1,343,154)	(2.85)
Forward Foreign Currency Contracts 24/07/15	£220,137	220,137	0.47
Forward Foreign Currency Contracts 24/07/15	EUR(304,000)	(215,472)	(0.46)
Forward Foreign Currency Contracts 24/07/15	EUR145,000	102,774	0.22
Forward Foreign Currency Contracts 24/07/15	£(103,184)	(103,184)	(0.22)
Forward Foreign Currency Contracts 12/08/15	£1,860,422	1,860,421	3.95
Forward Foreign Currency Contracts 12/08/15	EUR(2,613,000)	(1,852,817)	(3.93)
USD Forward Foreign Currency Contracts 0.40% (0.20%)			
Forward Foreign Currency Contracts 01/07/15	£1,007,187	1,007,187	2.14
Forward Foreign Currency Contracts 01/07/15	USD(1,558,000)	(990,654)	(2.10)
Forward Foreign Currency Contracts 01/07/15	£165,884	165,884	0.35
Forward Foreign Currency Contracts 01/07/15	USD(260,000)	(165,321)	(0.35)
Forward Foreign Currency Contracts 01/07/15	USD35,000	22,255	0.05
Forward Foreign Currency Contracts 01/07/15	£(22,462)	(22,462)	(0.05)
Forward Foreign Currency Contracts 01/07/15	USD50,000	31,792	0.07
Forward Foreign Currency Contracts 01/07/15	£(31,879)	(31,878)	(0.07)
Forward Foreign Currency Contracts 15/07/15	£4,104,987	4,104,987	8.71
Forward Foreign Currency Contracts 15/07/15	USD(6,248,000)	(3,973,152)	(8.43)
Forward Foreign Currency Contracts 29/07/15	£2,497,696	2,497,696	5.30
Forward Foreign Currency Contracts 29/07/15	USD(3,869,000)	(2,460,572)	(5.22)
Forward Foreign Currency Contracts 29/07/15	£366,952	366,952	0.78
Forward Foreign Currency Contracts 29/07/15	USD(578,000)	(367,592)	(0.78)
Forward Foreign Currency Contracts 14/08/15	£1,006,795	1,006,795	2.13
Forward Foreign Currency Contracts 14/08/15	USD(1,580,000)	(1,004,953)	(2.13)
Portfolio of investments*		44,455,691	94.36
Net current assets		2,655,824	5.64
Total Net Assets		47,111,515	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the CHF Forward Foreign Currency Contracts portfolio category, which, at 30 June 2014, represented 0.01% respectively of the Total Net Assets of the Fund.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	1,428	3.03	1.21
AA	4,873	10.34	8.73
A	9,811	20.82	22.23
BBB	12,776	27.12	36.33
BB	1,305	2.77	5.97
B	442	0.94	1.55
Not rated (by S&P)	14,804	31.43	17.33
Derivatives	(983)	(2.09)	0.19
Portfolio of investments	44,456	94.36	93.54
Net current assets	2,656	5.64	6.46
Total Net Assets	47,112	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital (losses)/gains	1		(825,585)	1,148,238
Revenue	2	1,308,841		1,288,482
Expenses	3	(414,633)		(360,799)
Finance costs: Interest	5	<u>(2,711)</u>	<u>(4,858)</u>	
Net revenue before taxation		891,497		922,825
Taxation	4	<u>(114)</u>	<u>363</u>	
Net revenue after taxation			<u>891,383</u>	<u>923,188</u>
Total return before distributions			65,798	2,071,426
Finance costs: Distributions	5		(894,520)	(923,644)
Change in net assets attributable to Shareholders from investment activities			<u>(828,722)</u>	<u>1,147,782</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		34,906,829	28,506,986
Amounts receivable on issue of shares	17,160,038		8,570,994
Amounts payable on cancellation of shares	<u>(4,693,010)</u>		<u>(3,767,009)</u>
		12,467,028	4,803,985
Dilution adjustment		45,894	30,642
Change in net assets attributable to			
Shareholders from investment activities (see above)		(828,722)	1,147,782
Retained distributions on accumulation shares		517,452	413,095
Unclaimed distributions		3,034	4,339
Closing net assets attributable to Shareholders		<u>47,111,515</u>	<u>34,906,829</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			45,927,833		33,106,485
Debtors	7	2,029,555		488,655	
Cash and bank balances	8	<u>2,590,856</u>		<u>6,678,718</u>	
Total other assets			<u>4,620,411</u>		<u>7,167,373</u>
Total assets			50,548,244		40,273,858
LIABILITIES					
Investment liabilities			(1,472,142)		(453,191)
Bank overdraft	8	(487,830)		(77,036)	
Creditors	9	(1,381,867)		(4,619,741)	
Distribution payable on income shares		<u>(94,890)</u>		<u>(217,061)</u>	
Total other liabilities			<u>(1,964,587)</u>		<u>(4,913,838)</u>
Total liabilities			(3,436,729)		(5,367,029)
Net assets attributable to Shareholders			<u>47,111,515</u>		<u>34,906,829</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.5380	0.1076	0.4304	0.0000	0.4304	1.1945
Group 2	0.2156	0.0431	0.1725	0.2579	0.4304	1.1945
Sterling Accumulation Shares						
Group 1	0.5635	0.1127	0.4508	0.0000	0.4508	1.2210
Group 2	0.0990	0.0198	0.0792	0.3716	0.4508	1.2210
Institutional Shares (Net Income)						
Group 1	0.8786	0.1757	0.7029	0.0000	0.7029	1.4674
Group 2	0.4555	0.0911	0.3644	0.3385	0.7029	1.4674
Institutional Shares (Net Accumulation)						
Group 1	0.9255	0.1851	0.7404	0.0000	0.7404	1.4980
Group 2	0.4859	0.0972	0.3887	0.3517	0.7404	1.4980
Institutional Shares W (Net Income)						
Group 1	0.8774	0.1755	0.7019	0.0000	0.7019	1.4664
Group 2	0.0000	0.0000	0.0000	0.7019	0.7019	1.4664
Institutional Shares W (Net Accumulation)						
Group 1	0.9328	0.1866	0.7462	0.0000	0.7462	1.5082
Group 2	0.3200	0.0640	0.2560	0.4902	0.7462	1.5082
Retail Advised Shares B (Net Income)						
Group 1	0.7161	0.1432	0.5729	0.0000	0.5729	1.3419
Group 2	0.3404	0.0681	0.2723	0.3006	0.5729	1.3419
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7638	0.1528	0.6110	0.0000	0.6110	1.3732
Group 2	0.7638	0.1528	0.6110	0.0000	0.6110	1.3732
X Shares (Net Accumulation)						
Group 1	1.1610	0.2322	0.9288	0.0000	0.9288	1.6628
Group 2	1.1610	0.2322	0.9288	0.0000	0.9288	1.6628
						Period
						Group 1: Shares purchased at launch 8 April 2015
						Group 2: Shares purchased 9 April 2015 to 30 June 2015
Institutional F Shares (Net Income)						
Group 1	0.1478	0.0296	0.1182	0.0000	0.1182	n/a
Group 2	0.1478	0.0296	0.1182	0.0000	0.1182	n/a
Institutional F Shares (Net Accumulation)						
Group 1	0.1478	0.0296	0.1182	0.0000	0.1182	n/a
Group 2	0.1478	0.0296	0.1182	0.0000	0.1182	n/a

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.4511	0.2902	1.1609	0.0000	1.1609	1.2548
Group 2	1.0191	0.2038	0.8153	0.3456	1.1609	1.2548
Sterling Accumulation Shares						
Group 1	1.5008	0.3002	1.2006	0.0000	1.2006	1.2669
Group 2	0.2081	0.0416	0.1665	1.0341	1.2006	1.2669
Institutional Shares (Net Income)						
Group 1	1.7970	0.3594	1.4376	0.0000	1.4376	1.5296
Group 2	0.2001	0.0400	0.1601	1.2775	1.4376	1.5296
Institutional Shares (Net Accumulation)						
Group 1	1.8705	0.3741	1.4964	0.0000	1.4964	1.5432
Group 2	1.2654	0.2531	1.0123	0.4841	1.4964	1.5432
Institutional Shares W (Net Income)						
Group 1	1.7995	0.3599	1.4396	0.0000	1.4396	1.5292
Group 2	0.8684	0.1737	0.6947	0.7449	1.4396	1.5292
Institutional Shares W (Net Accumulation)						
Group 1	1.8751	0.3750	1.5001	0.0000	1.5001	1.5471
Group 2	0.3166	0.0633	0.2533	1.2468	1.5001	1.5471
Retail Advised Shares B (Net Income)						
Group 1	1.6384	0.3277	1.3107	0.0000	1.3107	1.4020
Group 2	1.1148	0.2230	0.8918	0.4189	1.3107	1.4020
Retail Advised Shares B (Net Accumulation)						
Group 1	1.7025	0.3405	1.3620	0.0000	1.3620	1.4180
Group 2	1.7025	0.3405	1.3620	0.0000	1.3620	1.4180
X Shares (Net Accumulation)						
Group 1	2.0804	0.4161	1.6643	0.0000	1.6643	0.5140
Group 2	2.0804	0.4161	1.6643	0.0000	1.6643	0.5140

Notes to the Financial Statements

1 Net capital (losses)/gains

	30/06/2015	30/06/2014
	£	£
The net capital (losses)/gains on investments during the year comprise		
Gains on non-derivative securities	28,846	331,913
(Losses)/gains on derivative contracts	(1,333,342)	153,818
Gains on forward currency contracts	624,252	824,717
Currency exchange losses	(104,362)	(136,643)
Activity charges	(40,979)	(25,567)
Net capital (losses)/gains	(825,585)	1,148,238

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	5,151	3,904
Interest on debt securities	1,296,625	1,280,873
Overseas dividends	7,011	3,383
Stock lending	54	322
Total revenue	1,308,841	1,288,482

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
	£	£
ACD's periodic charge	356,012	308,293
Administration fees	31,474	28,310
Safe custody charges	5,375	5,469
	392,861	342,072
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	11,957	9,014
Distribution reconciliation service	502	1,086
	12,459	10,100
Other expenses:		
Auditor's remuneration: - Audit services (audit fee)†	8,883	8,399
Financial Conduct Authority fee	277	228
Legal fees	153	-
	9,313	8,627
Total expenses	414,633	360,799

† The Audit services (audit fee) net of VAT for 2015 is £7,250 (2014: £7,150).

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in period:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	-	(363)
Prior year adjustment	114	-
	<u>114</u>	<u>(363)</u>
Total current tax charge (see note 4b)	114	(363)

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	891,497	922,825
	<u>891,497</u>	<u>922,825</u>
Corporation tax @ 20%	178,300	184,565
Effects of:		
Overseas tax withheld	-	(363)
Overseas tax at 20%	-	72
Prior year adjustment	114	-
Prior year adjustment at 20%	(23)	-
Tax deductible interest distributions	(178,277)	(184,637)
	<u>(178,277)</u>	<u>(184,637)</u>
Total current tax charge (see note 4a)	114	(363)

c) Deferred tax

No deferred tax asset has been recognised in the accounts. The Fund has no excess management expenses.

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Interim interest 31 December - Sterling Income Shares	130,706	158,851
Interim interest 31 December - Sterling Accumulation Shares	211,659	181,168
Interim interest 31 December - Institutional Shares (Net Income)	244	183
Interim interest 31 December - Institutional Shares (Net Accumulation)	160	164
Interim interest 31 December - Institutional Shares W (Net Income)	97,573	1,348
Interim interest 31 December - Institutional Shares W (Net Accumulation)	81,750	3,118
Interim interest 31 December - Retail Advised Shares B (Net Income)	68	71
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	68	71
Interim interest 31 December - X Shares (Net Accumulation)	51,420	9,268
Final interest 30 June - Sterling Income Shares	43,330	142,402
Final interest 30 June - Sterling Accumulation Shares	65,680	163,154
Final interest 30 June - Institutional Shares (Net Income)	120	175
Final interest 30 June - Institutional Shares (Net Accumulation)	79	160
Final interest 30 June - Institutional Shares W (Net Income)	51,354	74,415
Final interest 30 June - Institutional Shares W (Net Accumulation)	77,902	4,549
Final interest 30 June - Retail Advised Shares B (Net Income)	80	69
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	31	69

Notes to the Financial Statements (continued)**5 Finance costs (continued)**

	30/06/2015	30/06/2014
	£	£
Distributions (continued)		
Final interest 30 June - X Shares (Net Accumulation)	28,697	51,374
Final interest 30 June - Institutional F Shares (Net Income)	6	n/a
Final interest 30 June - Institutional F Shares (Net Accumulation)	6	n/a
Income tax withheld	178,277	184,637
	1,019,210	975,246
Amounts added on issue of shares	(151,360)	(74,134)
Amounts deducted on cancellation of shares	26,670	22,532
Net distributions for the year	894,520	923,644
Interest	2,711	4,858
Total finance costs	897,231	928,502

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	891,383	923,188
Equalisation on conversions	3,137	451
Undistributed revenue brought forward	-	5
	894,520	923,644

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	499,612	469,463
Amount receivable for issue of shares	36,051	19,192
Amounts receivable on open currency contracts	1,067,086	-
Sales awaiting settlement	426,806	-
	2,029,555	488,655

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	61,075	2,709,091
Cash held in Insight Investment Liquidity Fund	712,853	3,465,900
Cash held on margin account	1,816,928	503,727
	2,590,856	6,678,718
Overdrawn cash and bank balances		
Overdraft position at brokers	(487,830)	(77,036)
	(487,830)	(77,036)

Notes to the Financial Statements (continued)**9 Creditors**

	30/06/2015	30/06/2014
	£	£
Accrued expenses	45,900	39,155
Amount payable for cancellation of shares	54,027	73,717
Amounts payable on open currency contracts	1,068,462	-
Income tax payable	65,464	122,114
Purchases awaiting settlement	148,014	4,384,755
	1,381,867	4,619,741

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £54,688 (30/06/14: £84,651).

11 Financial instruments**Interest rate risk**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate	Fixed Rate	Financial Assets/ (Liabilities) Not		Average	Weighted
	Financial Assets	Financial Assets	Carrying	Total	Effective	Average
	£	£	£	£	Interest	Fixed Rate
					Rate %	Period (yrs)
Assets						
United Kingdom	4,153,226	30,322,764	15,438,643	49,914,633	4.01	15.34
Australia	267,837	-	414	268,251		
Europe	3,300,466	2,042,052	341,542	5,684,060	4.11	11.19
Norway	56	-	-	56		
Switzerland	43	-	-	43		
United States of America	483,630	7,458,976	1,350,262	9,292,868	3.51	18.22
	8,205,258	39,823,792	17,130,861	65,159,911		
Liabilities						
United Kingdom	-	-	(2,779,721)	(2,779,721)		
Australia	-	-	(258,663)	(258,663)		
Europe	(220,917)	-	(5,454,615)	(5,675,532)		
United States of America	(266,913)	-	(9,067,567)	(9,334,480)		
	(487,830)	-	(17,560,566)	(18,048,396)		
Total	7,717,428	39,823,792	(429,705)	47,111,515		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	3,633,563	22,083,178	14,161,995	39,878,736	4.68	17.47
Australia	420,896	-	697	421,593		
Europe	3,213,187	2,612,465	72,977	5,898,629	5.45	23.01
Norway	65	-	-	65		
Switzerland	120	211,171	5,008	216,299	6.32	4.88
United States of America	173	4,023,141	27,652	4,050,966	4.06	12.57
	7,268,004	28,929,955	14,268,329	50,466,288		
Liabilities						
United Kingdom	-	-	(4,889,821)	(4,889,821)		
Australia	-	-	(428,628)	(428,628)		
Europe	(66,033)	-	(5,889,867)	(5,955,900)		
Switzerland	-	-	(214,327)	(214,327)		
United States of America	(11,003)	-	(4,059,780)	(4,070,783)		
	(77,036)	-	(15,482,423)	(15,559,459)		
Total	7,190,968	28,929,955	(1,214,094)	34,906,829		

Market Risk

The Insight Inflation Linked Corporate Bond Fund ("Sub-Fund") uses Value at Risk (VaR) to calculate the likelihood of the Sub-Fund (including derivatives) falling in value by more than a particular level.

Under normal market conditions, VaR captures the potential fall in the value of the portfolio over a given holding period and to a given level of

The Sub-Fund uses the Absolute VaR model, limits its VaR to 5% of the Net Asset Value (NAV) of the Sub-Fund, with a 99% confidence level and a 5 day holding period. The VaR model utilises an historical recalculation basis using at least one year of daily returns.

The confidence level is set at 99% meaning that we would expect losses calculated over a 5 day period to exceed the 5 day VaR calculated for that period only once every 100 trading days, other things being equal.

The holding period (5 trading days) is the time horizon over which the fall in value of individual security prices is projected.

As at the year ended 30 June 2015 the Fund had an Absolute daily VaR of 2.31% (2.34% as of 30 June 2014).

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Swaps	Total (£)
Bank of New York	45,050	-	45,050
Barclays	-	(86,495)	(86,495)
Citi	-	21,864	21,864
Credit Suisse	-	(1,164,688)	(1,164,688)
Goldman Sachs	60,818	-	60,818
HSBC	7,603	-	7,603
Morgan Stanley	-	(70,430)	(70,430)
RBC London	3,940	-	3,940
Royal Bank of Scotland	131,835	-	131,835
UBS	144	-	144
	249,390	(1,299,749)	(1,050,359)

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk (continued)

Collateral received from these counterparties in respect of derivative contracts was £1,127,000 in the form of cash (2014 -£270,000).

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund enters into derivative transactions in the form of forward foreign currency contracts, credit default swaps, interest rate swaps and exchange traded futures. Forward currency contracts may be used to manage currency risk arising from holdings of overseas securities. Interest rate swaps and exchange traded futures are used by the Fund to manage market price risk of the Fund.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	45,195,267	1,939,645	47,134,912	34,988,915
Australia	8,978	610	9,588	(7,035)
Europe	189,640	(181,112)	8,528	(57,271)
Norway	-	56	56	65
Switzerland	-	43	43	1,972
United States of America	(938,194)	896,582	(41,612)	(19,817)
Total	44,455,691	2,655,824	47,111,515	34,906,829

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, there were no investments subject to stock lending agreements (30/06/14: nil).

The gross earnings and the fees for the year are £68 (30/06/14: £403) and £14 (30/06/14: £81) respectively.

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has nine share classes; Sterling Income Shares, Sterling Accumulation Shares, Institutional Shares (Net Income), Institutional Shares

	ACD charge	Administration fee
Sterling Income Shares	1.10%	0.10%
Sterling Accumulation Shares	1.10%	0.10%
Institutional Shares (Net Income)	0.50%	0.03%
Institutional Shares (Net Accumulation)	0.50%	0.03%
Institutional Shares W (Net Income)	0.50%	0.03%
Institutional Shares W (Net Accumulation)	0.50%	0.03%
Retail Advised Shares B (Net Income)	0.75%	0.10%
Retail Advised Shares B (Net Accumulation)	0.75%	0.10%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional F Shares (Net Income)	0.35%	0.03%
Institutional F Shares (Net Accumulation)	0.35%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 143. The distributions are given in the distribution statements on pages 152 to 153. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – INSIGHT STRATEGIC BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: Insight Investment Management (Global) Limited

Fund Size: £16.01m

Sector: The Investment Association £ Strategic Bond

Yield as at 30 June 2015:

Sterling Income Shares	2.39%
Sterling Accumulation Shares	2.39%
Institutional Shares W (Net Income)	2.93%
Institutional Shares W (Net Accumulation)	2.93%
Retail Advised Shares B (Net Income)	2.64%
Retail Advised Shares B (Net Accumulation)	2.64%
Institutional Shares (Income)	2.81%
Institutional Shares (Accumulation)	2.81%
Institutional F Shares (Net Income)	3.14%
Institutional F Shares (Net Accumulation)	3.14%

Key Dates: Fund Launch 09 February 2013

Investment Objective

The objective of the Fund is to achieve a total return.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	1.55%	7.71%	n/a	n/a	n/a
Sterling Accumulation Shares*	1.56%	7.70%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	2.04%	8.20%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	2.04%	8.18%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	1.77%	7.94%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	1.77%	7.94%	n/a	n/a	n/a
Institutional Shares (Income)*	1.95%	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation)*	1.91%	n/a	n/a	n/a	n/a
Institutional F Shares (Net Income)*	n/a	n/a	n/a	n/a	n/a
Institutional F Shares (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Acc Share Class of the Fund returned 1.56% against 2.42% for the IA £ Strategic Bond Sector.

The Fund traded duration tactically over the year, starting with a long duration position. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates) Bond markets performed very strongly and so towards the end of 2014, the manager switched to a short duration position in Japan, the US and Germany, expecting bond prices to fall. Instead, the European Central Bank announced a larger-than-expected asset-buying programme, causing a further rally in bonds, so the position had a negative impact on performance. The manager closed it apart from the Japanese short position. Elsewhere, the Fund held a position in US inflation-linked bonds, as the manager believed that inflationary pressures would start to rise in the US. Early on, this strategy detracted from returns but later it performed better as inflation started to pick up. Early on, the Fund held some positions in Spain and Italy, in the expectation that yields would continue to fall. Later, the Fund held an overweight position in long-dated Italian bonds, expecting them to outperform short-dated Italian bonds. This was the case and the manager closed the position at a profit.

At the beginning of the period the corporate bond market was performing strongly, so the manager reduced the exposure to riskier areas of the market not expecting the strong performance to continue. The new issue market was very active and the manager purchased a number of new issues at attractive prices. The manager also carried out some relative value trades, selling existing bonds and buying new issues from the same issuer in cases where the manager believed the price was more attractive. The preferred sectors were financials, telecoms and asset-backed securities. The manager held a small allocation of high yield bonds which the manager reduced over the period as they were negatively affected by the lower oil price. (High yield is debt issued by companies that is rated below BBB by Standard & Poor's.) The manager also held a small position in emerging market debt. Corporate bonds issued in sterling and US dollar were favoured over those issued in the euro, as the manager believed they offered better value. The manager reduced the Fund's exposure to Southern European bonds because of concerns about the Greek situation. In currency, the Fund held a long US dollar position against short positions in the Japanese yen, euro and Australian dollar, and this had a positive impact on performance as the US dollar continued to strengthen.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
Erste Bank 5.50% 26/5/2025	Insight Global Emerging Markets Debt Fund
Play Topco 7.75% 28/2/2020	Australia (Commonwealth of) 2.00% Bonds 22/4/2027
Kennedy Wilson 3.95% Senior Bonds 30/6/2022	Wind Acquisition Finance 7.00% Guaranteed Senior Notes 23/4/2021
Australia (Commonwealth of) 2.00% Bonds 22/4/2027	Progress Floating Rate Notes 17/2/2032
Ithaca Energy 8.125% Guaranteed Senior Notes 01/7/2019	Credit Suisse 1.25% Senior European Medium Term Notes 14/4/2022
Credit Suisse 1.25% Senior European Medium Term Notes 14/4/2022	Genel Energy Finance 7.50% Bonds 14/5/2019
Progress Floating Rate Notes 17/2/2032	Ithaca Energy 8.125% Guaranteed Senior Notes 01/7/2019
Boparan Finance 5.5% Senior Notes 15/7/2021	RSA Insurance 5.125% Guaranteed Bonds 10/10/2045
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	Boparan Finance 5.5% Senior Notes 15/7/2021
Achmea 6.00% Subordinated Floating Rate Notes 4/4/2043	Italy (Republic) 4.75% Bonds 1/9/2044

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2013 (from 9 February)	103.30	98.56	2.5769
2014	104.76	100.99	2.7207
2015	104.22	101.07	0.5299
Sterling Accumulation Shares	Pence	Pence	Pence
2013 (from 9 February)	103.75	99.47	2.6022
2014	108.45	103.60	2.8169
2015	110.36	106.44	0.5581
Institutional Shares W (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	103.28	98.51	2.9841
2014	104.79	100.93	3.1755
2015	104.24	101.03	0.6587
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	103.93	99.58	3.0220
2014	109.15	103.96	3.3094
2015	111.43	107.30	0.6996
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2013 (from 11 February)	103.25	98.50	2.7812
2014	104.74	100.92	2.9340
2015	104.19	101.02	0.5819
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2013 (from 11 February)	103.75	99.50	2.8110
2014	108.75	103.75	3.0387
2015	110.83	106.82	0.6151
Institutional Shares (Income)	Pence	Pence	Pence
2014 (from 17 February)	102.90	99.52	2.6950
2015	102.37	99.23	0.6025
Institutional Shares (Accumulation)	Pence	Pence	Pence
2014 (from 17 February)	103.68	100.00	2.7225
2015	105.76	101.88	0.6219
Institutional F Shares (Net Income)	Pence	Pence	Pence
2015 (from 8 April)	101.47	100.00	0.0352
Institutional F Shares (Net Accumulation)	Pence	Pence	Pence
2015 (from 8 April)	101.47	100.00	0.0352

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	8,614,991	98.29	8,764,781
30/06/2014	12,190,747	103.13	11,820,570
30/06/2015	8,807,076	102.90	8,558,519

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Accumulation Shares			
30/06/2013	3,132,656	Pence 99.43	3,150,536
30/06/2014	2,945,873	107.14	2,749,439
30/06/2015	2,344,051	108.96	2,151,213
Institutional Shares W (Net Income)			
30/06/2013	20,851	Pence 98.23	21,227
30/06/2014	1,812,976	103.07	1,758,977
30/06/2015	1,828,926	102.96	1,776,403
Institutional Shares W (Net Accumulation)			
30/06/2013	52,673	Pence 99.55	52,913
30/06/2014	2,124,483	107.75	1,971,684
30/06/2015	1,479,370	110.08	1,343,915
Retail Advised Shares B (Net Income)			
30/06/2013	4,935	Pence 98.25	5,023
30/06/2014	109,140	103.07	105,892
30/06/2015	143,484	102.90	139,440
Retail Advised Shares B (Net Accumulation)			
30/06/2013	4,973	Pence 99.46	5,000
30/06/2014	10,549	107.40	9,822
30/06/2015	10,751	109.46	9,822
Institutional Shares (Income)			
30/06/2014	2,005,691	Pence 101.24	1,981,180
30/06/2015	1,065,796	101.12	1,054,039
Institutional Shares (Accumulation)			
30/06/2014	453,738	Pence 102.37	443,231
30/06/2015	317,921	104.47	304,304
Institutional F Shares (Net Income)			
30/06/2015	5,011	Pence 100.22	5,000
Institutional F Shares (Net Accumulation)			
30/06/2015	5,013	Pence 100.26	5,000

Statistics (continued)**Ongoing Charges**

	30/06/2015	30/06/2014
Share Class	%	%
Sterling Income Shares	1.60	1.48
Sterling Accumulation Shares	1.60	1.48
Institutional Shares W (Net Income)	1.05	0.96
Institutional Shares W (Net Accumulation)	1.05	0.96
Retail Advised Shares B (Net Income)	1.37	1.23
Retail Advised Shares B (Net Accumulation)	1.37	1.23
Institutional Shares (Income)	1.16	1.04
Institutional Shares (Accumulation)	1.16	1.04
Institutional F Shares (Net Income)	1.01	n/a
Institutional F Shares (Net Accumulation)	1.01	n/a

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

The Ongoing Charges figures for Institutional F Shares (Income) and Institutional F Shares (Accumulation) have been annualised as the share classes during the year, the comparative figures for the Institutional Shares (Income) and Institutional Shares (Accumulation) the have been annualised, as the share classes launched within the previous period.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds 4.20% (6.54%)			
Mexico 5.625% 19/3/2114	£400,000	384,500	2.40
US Treasury 0.625% 15/2/2043	USD500,000	288,372	1.80
Sterling Denominated Corporate Bonds 25.40% (25.04%)			
Annington Finance No. 5 13% Bonds 15/1/2023	£386,287	468,462	2.93
AT&T 4.875% Senior Bonds 01/6/2044	£150,000	150,225	0.94
AXA 5.453% Subordinate Perpetual Floating Rate Notes	£200,000	202,970	1.27
BL Superstore Finance 5.578% Guaranteed Asset Backed Bonds 4/10/2030	£175,000	197,017	1.23
Channel Link Enterprises Finance 3.93225% Guaranteed Floating Rate Bonds 30/6/2050	£110,000	110,201	0.69
Delamare Finance 6.067% Guaranteed Bonds 19/2/2029	£150,000	152,199	0.95
Electricité de France 6% Perpetual Subordinated Floating Rate Bonds	£100,000	101,252	0.63
Eurosail 0.686% FRN 13/9/2045	£200,963	191,320	1.19
Kelda Finance 3 5.75% 17/2/2020	£100,000	104,117	0.65
Kennedy Wilson 3.95% Senior Bonds 30/6/2022	£320,000	315,533	1.97
Precise Mortgage Funding 2.47125% Floating Rate Mortgage Backed Notes 12/12/2047	£200,000	199,161	1.24
Precise Mortgage Funding 2.97125% Floating Rate Mortgage Backed Notes 12/12/2047	£200,000	199,335	1.24
Precise Mortgage Funding No 1 Plc	£100,000	100,320	0.63
Punch Taverns Finance 7.274% Guaranteed Bonds 15/10/2026	£295,200	330,001	2.06
QBE Capital Funding 7.5% Variable Rate Guaranteed Bonds 24/5/2041	£300,000	334,931	2.09
Residential Mortgage Securities 21 4.8065% Mortgage Backed Floating Rate Notes 12/11/2038	£309,225	309,214	1.93
Santander 7.375% Bonds 24/6/2049	£200,000	199,500	1.25
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£200,000	201,100	1.26
Ulysses European Loan Conduit No 27 0.78713% Mortgage Backed Floating Rate Notes 25/7/2017	£150,000	146,784	0.92
Unique Pub Finance 5.659% 30/6/2027	£51,832	52,194	0.33
Non-Sterling Denominated Corporate Bonds 57.58% (56.22%)			
ABN AMRO Bank 2.875% Medium Term Notes 30/6/2025	EUR217,000	155,242	0.97
Access Midstream Partners 4.875% Bonds 15/3/2024	USD40,000	24,989	0.16
AT&T 4.75% Notes 15/5/2046	USD206,000	119,193	0.74
Banglalink Digital Communications 8.625% Senior Bonds 6/5/2019	USD400,000	256,883	1.60
Bankia 4% Subordinated Floating Rate Notes 22/5/2024	EUR200,000	137,868	0.86
Bankinter 0.298% Mortgage Backed Floating Rate Notes 16/5/2043	EUR200,000	136,495	0.85
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD400,000	289,642	1.81
Carlyle Global Marktes 3.11958% Floating Rate Notes 16/4/2029	EUR200,000	142,436	0.89
Carlyle Global Marktes 4.019580% Floating Rate Notes 16/4/2029	EUR250,000	177,815	1.11
Cencosud 5.15% Bonds 12/2/2025	USD227,000	145,441	0.91
Chapel 0.429% Asset Backed Floating Rate Notes 17/7/2066	EUR448,637	311,220	1.94
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR400,000	338,470	2.11
Credit Agricole 4.375% Subordinated Bonds 17/3/2025	USD610,000	371,547	2.32
Credit Suisse Group Funding Guernsey 4.875% Bonds 15/5/2045	USD330,000	201,893	1.26
Delta Spark 0.575% Asset Backed Floating Rate Notes 22/7/2023	EUR405,237	275,613	1.72
Dilosk RMBS No. 1 Mortgage Backed Floating Rate Securities 20/02/2051	EUR300,000	212,588	1.33
E.ON International Finance 6.65% Guaranteed Bonds 30/4/2038	USD350,000	267,759	1.67
Electricite de France 6% Bonds 22/1/2014	USD168,000	113,741	0.71
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD800,000	489,497	3.06
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR320,000	255,332	1.60
Eurosail 2006-2bl 0.4806% Mortgage Backed Floating Rate Notes 15/12/2044	USD200,000	110,111	0.69
Fondo de Titulizacion de Activos Santander Financiacion 0.631% Floating Rate Notes 20/7/2035	EUR300,000	201,350	1.26
General Electric 1.875% Bonds 28/5/2027	EUR108,000	75,363	0.47
German Residential Funding 2013-2 4.831% Floating Rate Notes 27/11/2024	EUR405,296	298,636	1.87
German Residential Funding 2013-1 3.581% Floating rate Note 27/8/2024	EUR187,590	137,754	0.86
Harvest Floating Rate Notes 30/4/2026	EUR150,000	105,372	0.66
Invitation Homes 2015-SFR1 Trust 3.16625% Floating Rate Notes 17/3/2032	USD480,000	308,528	1.93
Kinder Morgan 5.55% Bonds 01/6/2045	USD350,000	205,697	1.28
Lusitano Mortgages No 6 0.282% Mortgage Backed Floating Rate Notes 15/3/2060	EUR509,808	322,370	2.01

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non-Sterling Denominated Corporate Bonds (continued)			
Monastery 2006-I BV 0.398% Mortgage Backed Floating Rate Notes 17/11/2044	EUR229,254	150,857	0.94
Newgate Funding 2006-3 0.275% Mortgage Backed Floating Rate Notes 1/12/2050	EUR200,000	120,252	0.75
Paprec 5.25% Notes 01/4/2022	EUR400,000	290,837	1.82
Paragon Mortgages No.7 0.6521% Mortgage Backed Floating Rate Notes 15/5/2034	USD515,046	315,431	1.97
Paternoster 8.5% Notes 15/2/2023	EUR200,000	143,906	0.90
Play Topco SA 7.75% Bonds 28/2/2020	EUR500,000	361,318	2.26
Silverback Finance 3.7529% Bonds 25/5/2039	EUR200,000	132,670	0.83
St Paul's Collateral III 4.455% Floating Rate Notes 15/1/2028	EUR400,000	284,223	1.78
St. Paul's 3.398% Floating Rate Notes 25/4/2028	EUR250,000	176,226	1.10
Taurus 2.491% Floating Rate Mortgage Backed Notes 18/2/2017	EUR459,195	326,580	2.04
Taurus 2.738% Floating Rate Mortgage Backed Notes 21/5/2024	EUR193,137	140,466	0.88
Unitymedia Hessen/Unitymedia 3.5% Bonds 15/1/2027	EUR100,000	69,080	0.43
Utrecht Funding 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR375,327	266,457	1.66
Verizon Communications 4.522% Bonds 15/9/2048	USD120,000	67,033	0.42
Verizon Communications 4.672% Bonds 15/3/2055	USD320,000	177,011	1.11
Verizon Communications 6.4% Senior Notes 15/9/2033	USD8,000	5,829	0.04
Collective Investment Schemes 9.49% (9.76%)			
Insight Global Emerging Markets Debt Fund†	153,999	1,519,475	9.49
Derivatives (0.22)% (0.14%)			
Credit Default Swaps (1.33)% ((0.02)%)			
Banca Monte dei Paschi di Siena SpA 5.00% 20/3/2020 Credit Default Swap	EUR100,000	(8,655)	(0.05)
Banca Monte dei Paschi di Siena SpA 5.00% 20/6/2020 Credit Default Swap	EUR200,000	(17,957)	(0.11)
Crossover Index (iTraxx) 5% 20/6/2020 Credit Default Swap	EUR1,000,000	(54,177)	(0.34)
Crossover Index (iTraxx) 5% 20/6/2020 Credit Default Swap	EUR990,000	(53,635)	(0.34)
Crossover Index (iTraxx) 5% 20/6/2020 Credit Default Swap	EUR1,000,000	(54,177)	(0.34)
Markit CDX High Yield 5% 20/6/2020 Credit Default Swap	USD396,000	(16,001)	(0.10)
Markit CDX High Yield 5% 20/6/2020 Credit Default Swap	USD198,000	(8,000)	(0.05)
Futures 0.30% ((0.40)%)			
Euro-Bobl Future September 2015	EUR(2)	(680)	0.00
Euro-Bund Future September 2015	EUR(11)	5,893	0.04
Long Gilt Future September 2015	£(17)	4,503	0.03
US 10 Year Note (CBT) September 2015	USD(5)	3,353	0.02
US 5 Year Note (CBT) September 2015	USD(14)	834	0.00
US Long Bond(CBT) September 2015	USD(3)	6,140	0.04
US Ultra Bond(CBT) September 2015	USD(9)	27,183	0.17
Interest Rate Swaps 0.13% (0.00%)			
Receive USD 6 Months Pay 2.572% 05/5/2045	USD500,000	22,313	0.14
Pay USD 6 Months Pay 2.572% 05/5/2045	USD(500,000)	(1,249)	(0.01)
AUD Forward Foreign Currency Contracts 0.01% (0.00%)			
Forward Foreign Currency Contracts 22/07/15	AUD 115,078	56,181	0.35
Forward Foreign Currency Contracts 22/07/15	USD(90,000)	(57,235)	(0.36)
Forward Foreign Currency Contracts 22/07/15	AUD(450,196)	(219,785)	(1.37)
Forward Foreign Currency Contracts 22/07/15	USD349,668	222,368	1.39
Forward Foreign Currency Contracts 22/07/15	AUD(118,007)	(57,611)	(0.36)
Forward Foreign Currency Contracts 22/07/15	USD90,000	57,234	0.35
Forward Foreign Currency Contracts 22/07/15	AUD(116,328)	(56,791)	(0.35)
Forward Foreign Currency Contracts 22/07/15	USD90,000	57,234	0.36

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
CAD Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 22/07/15	CAD(63,475)	(32,324)	(0.20)
Forward Foreign Currency Contracts 22/07/15	USD51,761	32,917	0.20
DKK Forward Foreign Currency Contracts (0.01)% (0.00%)			
Forward Foreign Currency Contracts 22/07/15	DKK 744,060	70,714	0.44
Forward Foreign Currency Contracts 22/07/15	USD(113,242)	(72,014)	(0.45)
EUR Forward Foreign Currency Contracts 0.27% (0.16%)			
Forward Foreign Currency Contracts 10/07/15	EUR209,000	148,094	0.92
Forward Foreign Currency Contracts 10/07/15	£(149,195)	(149,195)	(0.93)
Forward Foreign Currency Contracts 10/07/15	EUR101,000	71,567	0.45
Forward Foreign Currency Contracts 10/07/15	£(72,973)	(72,973)	(0.46)
Forward Foreign Currency Contracts 10/07/15	EUR(2,419,000)	(1,714,063)	(10.71)
Forward Foreign Currency Contracts 10/07/15	£1,732,386	1,732,386	10.82
Forward Foreign Currency Contracts 10/07/15	EUR(535,000)	(379,092)	(2.37)
Forward Foreign Currency Contracts 10/07/15	£379,260	379,260	2.37
Forward Foreign Currency Contracts 10/07/15	EUR(285,000)	(201,946)	(1.26)
Forward Foreign Currency Contracts 10/07/15	£209,034	209,034	1.30
Forward Foreign Currency Contracts 22/07/15	EUR(53,000)	(37,564)	(0.23)
Forward Foreign Currency Contracts 22/07/15	USD59,897	38,091	0.24
Forward Foreign Currency Contracts 22/07/15	EUR(433,937)	(307,557)	(1.92)
Forward Foreign Currency Contracts 22/07/15	USD492,647	313,294	1.96
Forward Foreign Currency Contracts 22/07/15	EUR(81,241)	(57,580)	(0.36)
Forward Foreign Currency Contracts 22/07/15	USD90,000	57,234	0.36
Forward Foreign Currency Contracts 24/07/15	EUR77,000	54,577	0.34
Forward Foreign Currency Contracts 24/07/15	£(54,794)	(54,794)	(0.34)
Forward Foreign Currency Contracts 24/07/15	EUR(87,000)	(61,665)	(0.39)
Forward Foreign Currency Contracts 24/07/15	£61,949	61,949	0.39
Forward Foreign Currency Contracts 24/07/15	EUR(186,000)	(131,835)	(0.82)
Forward Foreign Currency Contracts 24/07/15	£134,689	134,689	0.84
Forward Foreign Currency Contracts 12/08/15	EUR(4,138,000)	(2,934,161)	(18.33)
Forward Foreign Currency Contracts 12/08/15	£2,946,202	2,946,202	18.40
JPY Forward Foreign Currency Contracts 0.00% (0.01%)			
Forward Foreign Currency Contracts 22/07/15	JPY 3,225,353	16,767	0.10
Forward Foreign Currency Contracts 22/07/15	USD(26,236)	(16,684)	(0.10)
Forward Foreign Currency Contracts 22/07/15	JPY (11,094,840)	(57,675)	(0.36)
Forward Foreign Currency Contracts 22/07/15	USD90,000	57,235	0.36
USD Forward Foreign Currency Contracts 0.41% (0.39%)			
Forward Foreign Currency Contracts 01/07/15	USD(1,286,000)	(817,702)	(5.11)
Forward Foreign Currency Contracts 01/07/15	£830,630	830,630	5.19
Forward Foreign Currency Contracts 01/07/15	USD(120,000)	(76,302)	(0.48)
Forward Foreign Currency Contracts 01/07/15	£76,562	76,562	0.48
Forward Foreign Currency Contracts 15/07/15	USD(569,000)	(361,832)	(2.26)
Forward Foreign Currency Contracts 15/07/15	£373,838	373,838	2.34
Forward Foreign Currency Contracts 22/07/15	USD(340,655)	(216,636)	(1.35)
Forward Foreign Currency Contracts 22/07/15	£214,600	214,600	1.34
Forward Foreign Currency Contracts 22/07/15	USD(90,000)	(57,235)	(0.36)
Forward Foreign Currency Contracts 22/07/15	£57,284	57,284	0.36
Forward Foreign Currency Contracts 22/07/15	USD(64,968)	(41,316)	(0.26)
Forward Foreign Currency Contracts 22/07/15	£41,000	41,000	0.26
Forward Foreign Currency Contracts 22/07/15	USD20,584	13,090	0.08
Forward Foreign Currency Contracts 22/07/15	£(13,000)	(13,000)	(0.08)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 29/07/15	USD(4,180,000)	(2,658,359)	(16.61)
Forward Foreign Currency Contracts 29/07/15	£2,698,467	2,698,467	16.86
Forward Foreign Currency Contracts 14/08/15	USD(809,000)	(514,561)	(3.21)
Forward Foreign Currency Contracts 14/08/15	£515,505	515,504	3.22
Portfolio of investments*		15,439,407	96.45
Net current assets		567,992	3.55
Total Net Assets		16,007,399	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

†Considered a related party of the ACD.

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

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	-	-	6.53
AA	288	1.80	-
A	2,284	14.27	5.09
BBB	2,400	14.99	18.22
BB	949	5.92	11.30
B	2,102	13.13	23.37
CCC	1,178	7.37	2.69
C	144	0.90	0.00
Not rated (by S&P)	6,130	38.29	30.36
Derivatives	(36)	(0.22)	0.14
Portfolio of investments	15,439	96.45	97.70
Net current assets	568	3.55	2.30
Total Net Assets	16,007	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital (losses)/gains	1		(44,860)		715,311
Revenue	2	713,198		747,972	
Expenses	3	(216,671)		(193,244)	
Finance costs: Interest	5	<u>(3,687)</u>		<u>(6,388)</u>	
Net revenue before taxation		492,840		548,340	
Taxation	4	<u>5,573</u>		<u>462</u>	
Net revenue after taxation			<u>498,413</u>		<u>548,802</u>
Total return before distributions			453,553		1,264,113
Finance costs: Distributions	5		(511,550)		(548,215)
Change in net assets attributable to Shareholders from investment activities			<u>(57,997)</u>		<u>715,898</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		21,653,197		11,831,079
Transfer of Assets from:				
BNY Mellon Global Strategic Bond Fund (on 15 February 2014)		-		13,936,831
Amounts receivable on issue of shares	2,160,732		1,705,258	
Amounts payable on cancellation of shares	<u>(7,875,316)</u>		<u>(6,653,724)</u>	
		(5,714,584)		(4,948,466)
Dilution adjustment		10,700		4,278
Change in net assets attributable to Shareholders from investment activities (see above)		(57,997)		715,898
Retained distributions on accumulation shares		114,614		113,141
Unclaimed distributions		1,469		436
Closing net assets attributable to Shareholders		<u>16,007,399</u>		<u>21,653,197</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			15,661,282		21,273,193
Debtors	7	1,249,614		1,448,115	
Cash and bank balances	8	829,821		1,367,680	
Total other assets			2,079,435		2,815,795
Total assets			17,740,717		24,088,988
LIABILITIES					
Investment liabilities			(221,875)		(117,407)
Bank overdraft	8	(541,094)		(107,163)	
Creditors	9	(970,085)		(2,105,541)	
Distribution payable on income shares		(264)		(105,680)	
Total other liabilities			(1,511,443)		(2,318,384)
Total liabilities			(1,733,318)		(2,435,791)
Net assets attributable to Shareholders			16,007,399		21,653,197

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.6523
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.6523
Sterling Accumulation Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.6759
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.6759
Institutional Shares W (Net Income)						
Group 1	0.0184	0.0037	0.0147	0.0000	0.0147	0.7658
Group 2	0.0000	0.0000	0.0000	0.0147	0.0147	0.7658
Institutional Shares W (Net Accumulation)						
Group 1	0.0213	0.0043	0.0170	0.0000	0.0170	0.7954
Group 2	0.0000	0.0000	0.0000	0.0170	0.0170	0.7954
Retail Advised Shares B (Net Income)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7045
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7045
Retail Advised Shares B (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7279
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7279
Institutional Shares (Income)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7244
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7244
Institutional Shares (Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.7282
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.7282
						Period
						Group 1: Shares purchased at launch 8 April 2015
						Group 2: Shares purchased 9 April 2015 to 30 June 2015
Institutional F Shares (Net Income)						
Group 1	0.0440	0.0088	0.0352	0.0000	0.0352	n/a
Group 2	0.0440	0.0088	0.0352	0.0000	0.0352	n/a
Institutional F Shares (Net Accumulation)						
Group 1	0.0440	0.0088	0.0352	0.0000	0.0352	n/a
Group 2	0.0440	0.0088	0.0352	0.0000	0.0352	n/a

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.6624	0.1325	0.5299	0.0000	0.5299	0.6402
Group 2	0.2893	0.0579	0.2314	0.2985	0.5299	0.6402
Sterling Accumulation Shares						
Group 1	0.6976	0.1395	0.5581	0.0000	0.5581	0.6522
Group 2	0.3089	0.0618	0.2471	0.3110	0.5581	0.6522
Institutional Shares W (Net Income)						
Group 1	0.8050	0.1610	0.6440	0.0000	0.6440	0.7551
Group 2	0.5305	0.1061	0.4244	0.2196	0.6440	0.7551
Institutional Shares W (Net Accumulation)						
Group 1	0.8533	0.1707	0.6826	0.0000	0.6826	0.7773
Group 2	0.4819	0.0964	0.3855	0.2971	0.6826	0.7773
Retail Advised Shares B (Net Income)						
Group 1	0.7274	0.1455	0.5819	0.0000	0.5819	0.6981
Group 2	0.3593	0.0719	0.2874	0.2945	0.5819	0.6981
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7689	0.1538	0.6151	0.0000	0.6151	0.7129
Group 2	0.7689	0.1538	0.6151	0.0000	0.6151	0.7129
Institutional Shares (Income)						
Group 1	0.7531	0.1506	0.6025	0.0000	0.6025	0.3966
Group 2	0.6525	0.1305	0.5220	0.0805	0.6025	0.3966
Institutional Shares (Accumulation)						
Group 1	0.7774	0.1555	0.6219	0.0000	0.6219	0.3965
Group 2	0.3861	0.0772	0.3089	0.3130	0.6219	0.3965

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.8293	0.1659	0.6634	0.0000	0.6634	0.7280
Group 2	0.3515	0.0703	0.2812	0.3822	0.6634	0.7280
Sterling Accumulation Shares						
Group 1	0.8678	0.1736	0.6942	0.0000	0.6942	0.7415
Group 2	0.3843	0.0769	0.3074	0.3868	0.6942	0.7415
Institutional Shares W (Net Income)						
Group 1	0.9698	0.1940	0.7758	0.0000	0.7758	0.8392
Group 2	0.6535	0.1307	0.5228	0.2530	0.7758	0.8392

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares W (Net Accumulation)						
Group 1	1.0224	0.2045	0.8179	0.0000	0.8179	0.8576
Group 2	0.8419	0.1684	0.6735	0.1444	0.8179	0.8576
Retail Advised Shares B (Net Income)						
Group 1	0.8933	0.1787	0.7146	0.0000	0.7146	0.7826
Group 2	0.3583	0.0717	0.2866	0.4280	0.7146	0.7826
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9358	0.1872	0.7486	0.0000	0.7486	0.7994
Group 2	0.9358	0.1872	0.7486	0.0000	0.7486	0.7994
Institutional Shares (Income)						
Group 1	0.9206	0.1841	0.7365	0.0000	0.7365	n/a
Group 2	0.5715	0.1143	0.4572	0.2793	0.7365	n/a
Institutional Shares (Accumulation)						
Group 1	0.9386	0.1877	0.7509	0.0000	0.7509	n/a
Group 2	0.3598	0.0720	0.2878	0.4631	0.7509	n/a

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.9560	0.1912	0.7648	0.0000	0.7648	0.6975
Group 2	0.6790	0.1358	0.5432	0.2216	0.7648	0.6975
Sterling Accumulation Shares						
Group 1	0.9933	0.1987	0.7946	0.0000	0.7946	0.7061
Group 2	0.6826	0.1365	0.5461	0.2485	0.7946	0.7061
Institutional Shares W (Net Income)						
Group 1	1.0985	0.2197	0.8788	0.0000	0.8788	0.8163
Group 2	0.7829	0.1566	0.6263	0.2525	0.8788	0.8163
Institutional Shares W (Net Accumulation)						
Group 1	1.1485	0.2297	0.9188	0.0000	0.9188	0.8273
Group 2	0.4148	0.0830	0.3318	0.5870	0.9188	0.8273
Retail Advised Shares B (Net Income)						
Group 1	1.0210	0.2042	0.8168	0.0000	0.8168	0.7574
Group 2	0.4304	0.0861	0.3443	0.4725	0.8168	0.7574
Retail Advised Shares B (Net Accumulation)						
Group 1	1.0616	0.2123	0.8493	0.0000	0.8493	0.7666
Group 2	1.0616	0.2123	0.8493	0.0000	0.8493	0.7666

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

	Period					
	Group 1: Shares purchased prior to 1 July 2014					
	Group 2: Shares purchased 1 July 2014 to 30 September 2014					
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Institutional Shares (Income)						
Group 1	1.0469	0.2094	0.8375	0.0000	0.8375	n/a
Group 2	0.6338	0.1268	0.5070	0.3305	0.8375	n/a
Institutional Shares (Accumulation)						
Group 1	1.0586	0.2117	0.8469	0.0000	0.8469	n/a
Group 2	0.4403	0.0881	0.3522	0.4947	0.8469	n/a

Notes to the Financial Statements

1 Net capital (losses)/gains

	30/06/2015	30/06/2014
	£	£
The net capital (losses)/gains on investments during the year comprise		
(Losses)/gains on non-derivative securities	(727,670)	345,279
Gains/(losses) on derivative contracts	39,573	(221,361)
Gains on forward currency contracts	958,050	731,022
Currency exchange losses	(256,863)	(138,308)
Activity charges	(57,950)	(1,321)
Net capital (losses)/gains	(44,860)	715,311

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	3,507	2,898
Interest on debt securities	772,389	694,700
Overseas dividends	58,457	50,346
Returns on derivatives	(121,263)	-
Stock lending	108	28
Total revenue	713,198	747,972

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	184,316	163,584
Administration fees	14,849	14,004
Safe custody charges	2,334	2,662
	201,499	180,250
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	5,879	4,695
Distribution reconciliation service	436	753
	6,315	5,448
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,803	7,318
- Non-audit services (tax compliance fee)†	624	-
Financial Conduct Authority fee	277	228
Sundry Expenses	153	-
	8,857	7,546
Total expenses	216,671	193,244

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,350 (2014: £6,250) and £520 (2014: £Nil) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in period:		
Corporation tax	(1,115)	(462)
	<u>(1,115)</u>	<u>(462)</u>
Prior year adjustment	(4,458)	
Total current tax charge (see note 4b)	<u>(5,573)</u>	<u>(462)</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>492,840</u>	<u>548,340</u>
Corporation tax @ 20%	98,568	109,668
Effects of:		
Prior year adjustment	(4,458)	(370)
Tax deductible interest distributions	(99,683)	(109,760)
Total current tax charge (see note 4a)	<u>(5,573)</u>	<u>(462)</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts. The Fund has no excess management expenses (30/06/14: Nil).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim interest 30 September - Sterling Income Shares	84,712	58,297
Interim interest 30 September - Sterling Accumulation Shares	19,947	21,167
Interim interest 30 September - Institutional Shares W (Net Income)	15,078	377
Interim interest 30 September - Institutional Shares W (Net Accumulation)	18,916	435
Interim interest 30 September - Retail Advised Shares B (Net Income)	869	38
Interim interest 30 September - Retail Advised Shares B (Net Accumulation)	83	38
Interim interest 30 September - Institutional Shares (Income)	15,689	n/a
Interim interest 30 September - Institutional Shares (Accumulation)	2,735	n/a
Interim interest 31 December - Sterling Income Shares	64,992	56,958
Interim interest 31 December - Sterling Accumulation Shares	16,578	21,304
Interim interest 31 December - Institutional Shares W (Net Income)	13,119	1,398
Interim interest 31 December - Institutional Shares W (Net Accumulation)	23,680	1,088
Interim interest 31 December - Retail Advised Shares B (Net Income)	765	40
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	74	40
Interim interest 31 December - Institutional Shares (Income)	12,615	n/a
Interim interest 31 December - Institutional Shares (Accumulation)	2,426	n/a
Interim interest 31 March - Sterling Income Shares	46,789	82,578
Interim interest 31 March - Sterling Accumulation Shares	12,390	18,729
Interim interest 31 March - Institutional Shares W (Net Income)	13,795	14,518
Interim interest 31 March - Institutional Shares W (Net Accumulation)	15,554	10,733
Interim interest 31 March - Retail Advised Shares B (Net Income)	626	1,055
Interim interest 31 March - Retail Advised Shares B (Net Accumulation)	60	70

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015 £	30/06/2014 £
Interim interest 31 March - Institutional Shares (Income)	9,081	12,508
Interim interest 31 March - Institutional Shares (Accumulation)	1,941	1,971
Final interest 30 June - Sterling Income Shares	-	77,111
Final interest 30 June - Sterling Accumulation Shares	-	18,584
Final interest 30 June - Institutional Shares W (Net Income)	262	13,471
Final interest 30 June - Institutional Shares W (Net Accumulation)	228	15,683
Final interest 30 June - Retail Advised Shares B (Net Income)	-	746
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	-	71
Final interest 30 June - Institutional Shares (Income)	-	14,352
Final interest 30 June - Institutional Shares (Accumulation)	-	3,228
Final interest 30 June - Institutional F Shares (Net Income)	2	n/a
Final interest 30 June - Institutional F Shares (Net Accumulation)	2	n/a
Income tax withheld	102,198	115,217
	495,206	561,805
Amounts added on issue of shares	(4,024)	(37,227)
Amounts deducted on cancellation of shares	20,368	23,637
Net distributions for the year	511,550	548,215
Interest	3,687	6,388
Total finance costs	515,237	554,603

6 Net movement between revenue after taxation and distributions

	30/06/2015 £	30/06/2014 £
Net revenue after taxation	498,413	548,802
Equalisation on conversions	576	(586)
Distribution deficit transferred from capital	12,565	-
Undistributed revenue brought forward	(4)	(5)
Undistributed revenue carried forward	-	4
	511,550	548,215

7 Debtors

	30/06/2015 £	30/06/2014 £
Accrued revenue	151,348	274,328
Amount receivable for issue of shares	50,440	17,764
Amounts receivable on open currency contracts	738,944	356,290
Sales awaiting settlement	308,882	799,733
	1,249,614	1,448,115

Notes to the Financial Statements (continued)**8 Cash & bank balances**

	30/06/2015	30/06/2014
	£	£
Cash held at bank	206,902	918,918
Cash held on margin account	622,919	448,762
	<u>829,821</u>	<u>1,367,680</u>

Overdrawn cash and bank balances

Overdraft position at brokers	(541,094)	(107,163)
	<u>(541,094)</u>	<u>(107,163)</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	23,325	33,606
Amount payable for cancellation of shares	35,269	196,851
Amounts payable on open currency contracts	739,691	355,285
Income tax payable	20,765	95,849
Purchases awaiting settlement	151,035	1,423,950
	<u>970,085</u>	<u>2,105,541</u>

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £533 (30/06/14: £192,817).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	2,711,374	2,404,623	12,165,763	17,281,760	6.60	25.96
Australia	5,445	-	56,181	61,626		
Canada	-	-	-	-		
Denmark	-	-	70,714	70,714		
Europe	3,927,671	1,822,219	385,331	6,135,221	5.82	8.21
Japan	1	-	16,767	16,768		
Norway	2	-	-	2		
Poland	5,503	-	-	5,503		
Switzerland	157	-	-	157		
United States of America	1,373,525	2,535,030	1,681,305	5,589,860	5.22	23.24
	8,023,678	6,761,872	14,376,061	29,161,611		
Liabilities						
United Kingdom	-	-	(1,205,759)	(1,205,759)		
Australia	-	-	(334,187)	(334,187)		
Canada	-	-	(32,324)	(32,324)		
Denmark	-	-	-	-		
Europe	(248,778)	-	(6,069,295)	(6,318,073)		
Japan	(78,658)	-	(57,676)	(136,334)		
Norway	-	-	-	-		
Poland	-	-	-	-		
Switzerland	-	-	-	-		
United States of America	(213,658)	-	(4,913,877)	(5,127,535)		
	(541,094)	-	(12,613,118)	(13,154,212)		
Total	7,482,584	6,761,872	1,762,943	16,007,399		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	1,933,221	5,553,880	16,458,400	23,945,501	6.39	27.17
Australia	13,945	-	82,072	96,017		
Europe	3,704,201	4,484,604	930,695	9,119,500	5.55	13.51
Japan	-	-	246,823	246,823		
Norway	2	-	155,687	155,689		
Poland	6,270	-	-	6,270		
Switzerland	217	211,171	107,905	319,293	6.32	4.88
United States of America	311,929	4,162,401	1,390,743	5,865,073	6.12	9.03
	5,969,785	14,412,056	19,372,325	39,754,166		
Liabilities						
United Kingdom	-	-	(1,958,380)	(1,958,380)		
Australia	-	-	(82,363)	(82,363)		
Europe	(40,815)	-	(8,878,107)	(8,918,922)		
Japan	(14,429)	-	(471,685)	(486,114)		
Norway	-	-	(158,835)	(158,835)		
Sweden	-	-	(80,194)	(80,194)		
Switzerland	-	-	(543,023)	(543,023)		
United States of America	(51,919)	-	(5,821,219)	(5,873,138)		
	(107,163)	-	(17,993,806)	(18,100,969)		
Total	5,862,622	14,412,056	1,378,519	21,653,197		

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Swaps	Total (£)
Bank of New York Mellon	18,409	-	18,409
Barclays	-	(75,726)	(75,726)
Citibank	5,230	-	5,230
Credit Suisse	-	(62,177)	(62,177)
Goldman Sachs	52,011	-	52,011
HSBC	11,826	-	11,826
JP Morgan	5,877	-	5,877
Morgan Stanley	-	(53,635)	(53,635)
Royal Bank of Canada	3,448	-	3,448
Royal Bank of Scotland	12,006	-	12,006
Toronto Dominion	-	-	-
UBS	(292)	-	(292)
	108,515	(191,538)	(83,023)

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was Nil.

Collateral pledged to these counterparties in respect of derivative contracts was Nil.

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk (continued)

Derivative risk

The Fund enters into derivative transactions in the form of forward foreign currency contracts and futures. Forward currency contracts are used to manage currency risk arising from holdings of overseas securities. Exchange traded futures are used for hedging purposes to protect the value of the Fund.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	15,955,757	120,244	16,076,001	21,987,121
Australia	(278,006)	5,445	(272,561)	13,654
Canada	(32,324)	-	(32,324)	-
Denmark	70,714	-	70,714	-
Europe	12,183	(195,034)	(182,851)	200,578
Japan	(40,908)	(78,658)	(119,566)	(239,291)
Norway	-	2	2	(3,146)
Poland	-	5,503	5,503	6,270
Sweden	-	-	-	(80,194)
Switzerland	-	157	157	(223,730)
United States of America	(248,009)	710,333	462,324	(8,065)
Total	15,439,407	567,992	16,007,399	21,653,197

12 Portfolio transaction costs

There were no portfolio transaction costs at the balance sheet date (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, there were no investments subject to stock lending agreements (30/06/14: nil).

The gross earnings and the fees for the year are £135 (30/06/14: £35) and £27 (30/06/14: £7) respectively.

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Sterling Accumulation Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation), Institutional Shares (Income), Institutional Shares (Accumulation), Institutional F Shares (Net Institutional F Shares (Net Income) and Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.10%	0.10%
Sterling Accumulation Shares	1.10%	0.10%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	0.85%	0.10%
Retail Advised Shares B (Net Accumulation)	0.85%	0.10%
Institutional Shares (Income)	0.75%	0.03%
Institutional Shares (Accumulation)	0.75%	0.03%
Institutional F Shares (Net Income)	0.35%	0.03%
Institutional F Shares (Net Accumulation)	0.35%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 164 to 165. The distributions are given in the distribution statements on pages 174 to 177. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON 50/50 GLOBAL EQUITY FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£375.09m
Comparative Index:	50% FTSE All Share, 50% (1/3 FTSE AW North America, 1/3 FTSE AW Europe ex UK, 1/3 FTSE AW Asia Pacific)
Sector:	The Investment Association Global

Yield as at 30 June 2015:

Exempt Shares 1 (Net Accumulation)	2.17%
X Shares (Net Accumulation)	2.66%
Exempt Shares 2 (Net Accumulation)	2.07%

Key Dates:	Fund Launch	15 February 1999
	Converted to ICVC	02 August 2004

Investment Objective

The objective of the Fund is to invest in a broad spread of UK and international securities to achieve income and capital growth over the longer term. The Fund will be managed to a benchmark of approximately 50% UK equities and 50% international equities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Exempt Shares 1 (Net Accumulation)	7.50%	6.88%	21.65%	-5.13%	18.99%
X Shares (Net Accumulation)	8.04%	7.42%	22.25%	-4.65%	19.59%
Exempt Shares 2 (Net Accumulation)	7.38%	6.77%	21.53%	-5.22%	18.87%
Comparative Index*	12.53%	11.31%	20.50%	-5.54%	23.78%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*50% FTSE All Share, 16.67% FTSE AW North America, 16.67% FTSE AW Europe ex UK, 16.67% FTSE AW Asia Pacific. Prior to 31/3/10 - 60% FTSE All Share, 13.33% FTSE AW North America, 13.33% FTSE AW Europe ex UK, 13.33% FTSE AW Asia Pacific.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Exempt 1 Net Sterling Acc Share Class of the Fund returned 7.50% against a return of 6.02% for its composite comparative index.

The Fund generated a positive return, outperforming its composite comparative index over the 12-month period. Stock selection was a source of outperformance, particularly in consumer services, financials and industrials. Citigroup was among the top contributors to the Fund's strong performance, as were Apollo Hospitals, Walgreen Boots Alliance and National Express. Asset allocation was also supportive, with the Fund's overweight holdings in healthcare achieving strong results. Royal Dutch Shell was a notable detractor from the Fund's performance, as was the decision to remain underweight UK equities – the sector posted healthy returns following the majority win for the Conservative Party in the general election.

Within the UK component of the portfolio, new positions were established in transport operator National Express, which the manager believes offers good value on its outlook for cash flow, and Cobham, the aerospace & defence group, in the belief the business should benefit from the signs of stabilisation in defence spending. Existing holdings that were increased included Centrica, Associated British Foods and Johnson Matthey. Full redemptions included BHP Billiton, following a drop in demand for iron ore, Standard Chartered, on caution regarding the outlook for its activities in Asia, and Merlin Entertainments.

In the global segment of the portfolio, new holdings were initiated in online travel portal TripAdvisor on a positive growth outlook, and Trimble, a specialist in global positioning systems, as its share price offered good value. The manager also added positions in German mobile network operator Telefonica Deutschland and US discount retailer TJX. The Fund participated in the initial public offering of Rocket Internet, a holding company for a number of e-commerce businesses focused on emerging markets. The Fund increased the existing holding in Microsoft. Sales of note were Cable & Wireless Communications, on concerns over an increase in the company's risk profile, Smiths Group, given its oil-related business, and Irish building-materials company CRH. The holding in pharmaceutical manufacturer Sanofi was also sold, while the position in Sugi Holdings was trimmed.

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

Purchases	Sales
Cobham	BP
National Express	Sanofi
CRH	Cable & Wireless
National Grid	BHP Billiton
Insurance Australia	GlaxoSmithKline
Wolters Kluwer	eBay
Melrose Industries	Toyota Motor
Yum! Brands	Air Liquide
Microsoft	Kraft Foods
Imperial Tobacco	CRH

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2010	198.13	164.56	4.1837
2011	204.92	165.23	4.5018
2012	207.02	180.61	4.8147
2013	245.76	207.52	5.0753
2014	260.72	230.99	5.2969
2015	283.22	254.38	3.9176
X Shares (Net Accumulation)	Pence	Pence	Pence
2010	202.91	168.11	5.1902
2011	210.41	169.86	5.5949
2012	214.10	186.26	5.9709
2013	255.28	214.66	6.4726
2014	272.31	240.24	6.8024
2015	296.34	265.81	4.8011
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2010	147.2	122.32	2.9765
2011	152.17	122.67	3.2060
2012	153.50	133.99	3.4206
2013	182.07	153.87	3.5879
2014	192.93	171.08	3.7398
2015	209.51	188.22	2.7988

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	350,919,561	229.84	152,681,746
30/06/2014	345,160,515	245.65	140,511,803
30/06/2015	340,975,095	262.59	129,848,791
X Shares (Net Accumulation)		Pence	
30/06/2013	118,410,047	238.33	49,682,798
30/06/2014	27,277,711	256.01	10,654,938
30/06/2015	3,424,667	275.05	1,245,099
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	51,304,559	170.33	30,120,753
30/06/2014	54,475,871	181.86	29,954,517
30/06/2015	30,687,082	194.21	15,801,235

Statistics (continued)**Ongoing Charges**

	30/06/2015	30/06/2014
Share Class	%	%
Exempt Shares 1 (Net Accumulation)	0.57	0.56
X Shares (Net Accumulation)	0.06	0.06
Exempt Shares 2 (Net Accumulation)	0.66	0.66

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 41.38% (40.66%)			
Associated British Foods	143,666	4,124,651	1.10
Atkins (WS)	116,544	1,765,642	0.47
BAE Systems	857,971	3,871,165	1.03
Barclays	2,038,511	5,310,321	1.41
BP	875,000	3,675,875	0.98
British American Tobacco	333,406	11,384,148	3.04
Bunzl	188,461	3,275,452	0.87
Centrica	2,849,692	7,517,487	2.00
Chemring	786,162	1,719,729	0.46
Cobham	2,337,379	6,147,307	1.64
Dixons Carphone	1,438,420	6,520,358	1.74
GlaxoSmithKline	836,758	11,066,125	2.95
Imperial Tobacco	143,912	4,412,342	1.18
John Wood	282,088	1,818,057	0.48
Johnson Matthey	146,878	4,462,154	1.19
Melrose Industries	1,449,027	3,586,342	0.96
Mitchells & Butlers	1,362,850	6,218,685	1.66
National Express	2,089,081	6,417,657	1.71
National Grid	582,275	4,758,351	1.27
Next	26,672	1,985,730	0.53
Pearson	354,223	4,268,387	1.14
Prudential	514,140	7,879,195	2.10
Reed Elsevier	495,207	5,125,392	1.37
Royal Dutch Shell class 'B' shares	833,861	15,067,868	4.02
Sage	360,830	1,849,254	0.49
Vodafone	5,838,110	13,418,896	3.58
Wolseley	185,681	7,544,219	2.01
Collective Investment Schemes 1.40% (0.81%)			
Newton Global Emerging Markets - X Net Income Fund	1,042,896	5,268,087	1.40
United States of America 20.19% (18.98%)			
Accenture	115,991	7,136,319	1.90
Citigroup	295,283	10,367,856	2.76
Dollar General	158,160	7,814,977	2.08
Dun & Bradstreet	64,803	5,027,414	1.34
Equifax	47,172	2,910,945	0.78
Express Scripts	90,034	5,091,641	1.36
Marathon Oil	108,855	1,836,284	0.49
Medtronic	81,522	3,839,988	1.02
Microsoft	339,028	9,517,445	2.54
PNC Financial Services	37,773	2,297,315	0.61
Principal Financial	55,137	1,797,115	0.48
Sprint	647,808	1,874,182	0.50
TJX	77,847	3,274,851	0.87
Trimble Navigation	177,343	2,644,302	0.71
TripAdvisor	41,822	2,317,269	0.62
Walgreens Boots Alliance	83,982	4,509,086	1.20
Yum! Brands	61,034	3,494,698	0.93
Canada 1.00% (1.94%)			
Barrick Gold	193,923	1,315,673	0.35
Suncor Energy	92,589	1,620,290	0.43
Yamana Gold	431,323	821,589	0.22

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Brazil 0.18% (0.75%)			
International Meal Company	362,946	677,536	0.18
Australia 1.22% (0.23%)			
Insurance Australia	1,334,813	3,640,043	0.97
Newcrest Mining	146,394	931,507	0.25
Hong Kong 2.58% (2.09%)			
AIA	1,910,268	7,919,988	2.11
Belle International	2,389,381	1,742,193	0.47
India 1.20% (0.93%)			
Apollo Hospitals	158,950	2,090,247	0.56
ITC	764,659	2,409,661	0.64
Japan 6.08% (7.42%)			
Sawai Pharmaceutical	90,400	3,339,911	0.89
Skylark	159,100	1,331,872	0.36
Softbank	185,700	6,947,703	1.85
Sugi	83,800	2,717,224	0.72
Topcon	229,500	3,512,084	0.94
Toyota Motor	116,400	4,953,746	1.32
Philippines 1.02% (0.96%)			
Energy Development	36,237,900	3,807,090	1.02
France 0.48% (4.37%)			
Air Liquide	22,605	1,816,888	0.48
Germany 5.55% (3.03%)			
Bayer (Regd.)	100,357	8,954,987	2.39
MTU Aero Engines	32,176	1,930,332	0.51
Rocket Internet	72,825	2,048,800	0.55
SAP	109,005	4,844,409	1.29
Telefonica Deutschland	823,645	3,023,241	0.81
Ireland 1.18% (0.51%)			
CRH	247,078	4,412,813	1.18
Israel 1.25% (0.82%)			
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	124,481	4,678,624	1.25
Netherlands 3.62% (2.20%)			
Wolters Kluwer	720,604	13,602,900	3.62
Norway 1.00% (0.85%)			
DNB	354,943	3,746,418	1.00
Switzerland 6.46% (6.19%)			
Actelion	35,175	3,273,874	0.87
Credit Suisse	266,096	4,652,788	1.24
Nestlé	153,874	7,066,604	1.88
Novartis	37,985	2,381,493	0.64
Roche	38,557	6,872,999	1.83

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Luxembourg 0.96% (0.00%)			
Millicom International Cellular	77,126	3,614,113	0.96
Portfolio of investments		362,910,203	96.75
Net current assets		12,176,641	3.25
Total Net Assets		375,086,844	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

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

ADR = American Depositary Receipt

SDR = Swedish Depositary Receipt

During the year ended 30 June 2015, the Fund disposed of its holdings in the Belgium, Mexico, Sweden and CHF Forward Foreign Currency portfolio categories, which, at 30 June 2014, represented 0.81%, 0.29%, 2.44% and 0.03% respectively of the Total Net Assets of the Fund.

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		17,732,322		22,090,619
Revenue	2	11,108,511		13,804,950	
Expenses	3	(2,195,852)		(2,376,187)	
Finance costs: Interest	5	(1,258)		-	
Net revenue before taxation		8,911,401		11,428,763	
Taxation	4	(276,415)		(413,768)	
Net revenue after taxation			8,634,986		11,014,995
Total return before distributions			26,367,308		33,105,614
Finance costs: Distributions	5		(8,635,144)		(11,014,960)
Change in net assets attributable to Shareholders from investment activities			17,732,164		22,090,654

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		426,914,097		520,634,167
Amounts receivable on issue of shares	12,366,962		11,811,565	
Amounts payable on cancellation of shares	(90,100,900)		(137,992,970)	
		(77,733,938)		(126,181,405)
Dilution adjustment		33,455		117,833
Stamp Duty Reserve Tax		-		(26,049)
Change in net assets attributable to Shareholders from investment activities (see above)		17,732,164		22,090,654
Retained distributions on accumulation shares		8,141,066		10,278,897
Closing net assets attributable to Shareholders		375,086,844		426,914,097

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			362,910,203		411,165,603
Debtors	7	3,974,907		2,895,320	
Cash and bank balances	8	<u>10,218,636</u>		<u>14,350,152</u>	
Total other assets			<u>14,193,543</u>		<u>17,245,472</u>
Total assets			377,103,746		428,411,075
LIABILITIES					
Bank overdraft	8	(2,376)		-	
Creditors	9	<u>(2,014,526)</u>		<u>(1,496,978)</u>	
Total other liabilities			<u>(2,016,902)</u>		<u>(1,496,978)</u>
Total liabilities			(2,016,902)		(1,496,978)
Net assets attributable to Shareholders			<u>375,086,844</u>		<u>426,914,097</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
						Prior Period 30/06/2014
Exempt Shares 1 (Net Accumulation)						
Group 1	4.3529	0.4353	3.9176	0.0000	3.9176	3.5073
Group 2	2.3992	0.2399	2.1593	1.7583	3.9176	3.5073
X Shares (Net Accumulation)						
Group 1	5.3346	0.5335	4.8011	0.0000	4.8011	4.2779
Group 2	5.3346	0.5335	4.8011	0.0000	4.8011	4.2779
Exempt Shares 2 (Net Accumulation)						
Group 1	3.1098	0.3110	2.7988	0.0000	2.7988	2.5085
Group 2	1.7129	0.1713	1.5416	1.2572	2.7988	2.5085

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
						Prior Period 31/12/2013
Exempt Shares 1 (Net Accumulation)						
Group 1	1.9884	0.1988	1.7896	0.0000	1.7896	1.8413
Group 2	0.8853	0.0885	0.7968	0.9928	1.7896	1.8413
X Shares (Net Accumulation)						
Group 1	2.8050	0.2805	2.5245	0.0000	2.5245	2.5387
Group 2	2.8050	0.2805	2.5245	0.0000	2.5245	2.5387
Exempt Shares 2 (Net Accumulation)						
Group 1	1.3681	0.1368	1.2313	0.0000	1.2313	1.2749
Group 2	0.7922	0.0792	0.7130	0.5183	1.2313	1.2749

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	17,690,335	21,147,146
Gains on forward currency contracts	125,223	947,431
Currency exchange (losses)/gains	(49,429)	23,107
Activity charges	(33,807)	(27,065)
Net capital gains	17,732,322	22,090,619

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	969	62,413
Collective investment scheme distributions	49,770	35,033
Overseas dividends	4,969,023	5,609,753
Stock lending	39,631	89,142
UK dividends	6,049,118	8,008,609
Total revenue	11,108,511	13,804,950

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	1,989,005	2,100,857
Administration fees	120,161	149,284
Collection charges	-	4,407
Registrar's disbursement fees	3,587	6,872
Safe custody charges	38,633	45,687
	2,151,386	2,307,107
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	38,594	43,999
	38,594	43,999
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	5,595	6,300
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	277	287
Expenses associated with making tax reclaims	-	15,554
	5,872	25,081
Total expenses	2,195,852	2,376,187

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,350 (2014: £5,250) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	753
Income tax expense	-	2,146
	<u>-</u>	<u>2,899</u>
Overseas tax withheld	276,415	432,778
Repayment of French withholding tax	-	(21,909)
Total current tax charge (see note 4b)	<u>276,415</u>	<u>413,768</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>8,911,401</u>	<u>11,428,763</u>
Corporation tax @ 20%	1,782,280	2,285,753
Effects of:		
Dividends not subject to corporation tax	(2,186,685)	(2,727,495)
Excess management expenses	404,405	442,495
Income tax expense	-	2,146
Repayment of French withholding tax	-	(21,909)
Overseas tax withheld	276,415	432,778
Total current tax charge (see note 4a)	<u>276,415</u>	<u>413,768</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £13,119,189 (30/06/14: £11,097,164), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £2,623,838 (30/06/14: £2,219,433).

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Exempt Shares 1 (Net Accumulation)	2,323,817	2,729,446
Interim dividend 31 December - X Shares (Net Accumulation)	32,241	1,030,853
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	195,978	383,211
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	5,087,013	4,928,170
Final dividend 30 June - X Shares (Net Accumulation)	59,778	455,808
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	442,239	751,409
	<u>8,141,066</u>	<u>10,278,897</u>
Amounts added on issue of shares	(61,593)	(56,201)
Amounts deducted on cancellation of shares	555,671	792,264
Net distributions for the year	<u>8,635,144</u>	<u>11,014,960</u>
Interest	1,258	-
Total finance costs	<u>8,636,402</u>	<u>11,014,960</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	8,634,986	11,014,995
Undistributed revenue brought forward	158	123
Undistributed revenue carried forward	-	(158)
	<u>8,635,144</u>	<u>11,014,960</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	938,188	1,087,732
Amount receivable for issue of shares	254,986	55,242
Amounts receivable on open currency contracts	1,144,358	-
Overseas tax recoverable	396,630	503,976
Sales awaiting settlement	1,240,745	1,248,370
	<u>3,974,907</u>	<u>2,895,320</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	88,164	4,758,661
Cash held in BNY Mellon Sterling Liquidity Fund	10,130,472	9,591,491
	<u>10,218,636</u>	<u>14,350,152</u>
Overdrawn cash and bank balances		
Bank overdraft	(2,376)	-
	<u>(2,376)</u>	<u>-</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	195,438	203,101
Amount payable for cancellation of shares	279,154	702,046
Amounts payable on open currency contracts	1,144,572	-
Corporation tax payable	753	753
Purchases awaiting settlement	394,609	591,078
	<u>2,014,526</u>	<u>1,496,978</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges, activity charges and collection charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £212,839 (30/06/14: £837,396).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	164,871,690	11,630,196	176,501,886	209,255,694
Australia	4,571,550	-	4,571,550	984,550
Brazil	677,536	-	677,536	3,218,790
Canada	2,441,878	-	2,441,878	5,818,477
China	-	132,029	132,029	-
Europe	36,221,557	146,731	36,368,288	44,571,430
Hong Kong	9,662,180	(132,029)	9,530,151	8,946,905
India	4,499,908	47,720	4,547,628	3,986,917
Japan	22,802,541	8,780	22,811,321	31,669,231
Norway	3,746,418	16,351	3,762,769	3,622,918
Philippines	3,807,090	-	3,807,090	4,077,162
Poland	-	-	-	27,099
Sweden	3,614,113	-	3,614,113	10,425,323
Switzerland	24,247,758	231,175	24,478,933	11,593,664
Taiwan	-	53,688	53,688	1,769
United States of America	81,745,984	42,000	81,787,984	88,714,168
Total	362,910,203	12,176,641	375,086,844	426,914,097

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		128,560,479		186,010,527
Commissions	86,206		133,197	
Taxes	<u>329,286</u>		<u>340,702</u>	
Total purchase costs		415,492		473,899
Gross purchases total		<u>128,975,971</u>		<u>186,484,426</u>
Analysis of total sales proceeds:				
Sales before transaction costs		195,531,568		285,263,142
Commissions	(104,355)		(156,447)	
Taxes	<u>(15,017)</u>		<u>(13,402)</u>	
Total sales costs		(119,372)		(169,849)
Total sales net of transaction costs		<u>195,412,196</u>		<u>285,093,293</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 £10,806,163 of investments were subject to stock lending agreements and the Fund held £12,154,720 in collateral. The collateral is held in equity securities.

As at 30 June 2014 £4,029,600 of investments were subject to stock lending agreements and the Fund held £4,420,365 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £49,539 (30/06/14: £111,428) and £9,908 (30/06/14: £22,286).

15 Shareholders' funds

The Fund currently has three share classes; Exempt Shares 1 (Net Accumulation), X Shares (Net Accumulation) and Exempt Shares 2 (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Exempt Shares 2 (Net Accumulation)	0.60%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 189. The distributions are given in the distribution statements on page 196. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON ASIAN INCOME FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£3,292.15m
Comparative Index:	FTSE AW Asia Pacific ex Japan TR GBP
Sector:	The Investment Association Asia Pacific Excluding Japan
Yield as at 30 June 2015:	
Sterling Income Shares	5.04%
Institutional Shares (Net Income)	5.09%
Institutional Shares (Net Accumulation)	5.00%
X Shares (Net Income)	5.04%
Institutional Shares (Net Accumulation) Euro	6.71%
Institutional Shares (Net Income) Euro	6.85%
Euro Accumulation Shares	6.65%
Euro Income Shares	6.78%
Institutional Shares (Net Income) USD	7.93%
Institutional Shares (Net Accumulation) USD	7.78%
USD Income Shares	7.87%
USD Accumulation Shares	7.69%
Institutional Shares W (Net Income)	5.09%
Institutional Shares W (Net Accumulation)	5.00%
Retail Advised Shares B (Net Income)	5.04%
Retail Advised Shares B (Net Accumulation)	4.94%
P Shares (Net Income)	5.10%
X Shares (Net Accumulation) USD	7.76%
Key Dates: Fund Launch	30 November 2005

Investment Objective

The objective of the Fund is to achieve income together with long-term capital growth predominantly through investments in securities in the Asia Pacific ex. Japan (including Australia and New Zealand) region.

Fund Report (continued)**Statutory Performance Data**

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	-1.60%	-0.98%	16.86%	6.21%	26.29%
Institutional Shares (Net Income)	-1.04%	-0.41%	17.51%	6.82%	27.01%
Institutional Shares (Net Accumulation)	-1.03%	-0.41%	17.55%	6.78%	26.95%
X Shares (Net Income)	-0.18%	0.60%	18.70%	7.88%	28.29%
Institutional Shares (Net Accumulation) Euro*	-1.38%	-0.38%	17.08%	n/a	n/a
Institutional Shares (Net Income) Euro*	-1.37%	-0.38%	16.97%	n/a	n/a
Euro Accumulation Shares*	-1.92%	-0.93%	16.43%	n/a	n/a
Euro Income Shares*	-1.94%	-0.95%	16.38%	n/a	n/a
Institutional Shares (Net Income) USD*	-0.73%	-1.20%	18.58%	n/a	n/a
Institutional Shares (Net Accumulation) USD*	-0.73%	-1.20%	18.65%	n/a	n/a
USD Income Shares*	-1.28%	-1.76%	18.06%	n/a	n/a
USD Accumulation Shares*	-1.26%	-1.75%	18.05%	n/a	n/a
Institutional Shares W (Net Income)*	-0.78%	-0.17%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-0.80%	-0.16%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-1.11%	-0.48%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-1.11%	-0.47%	n/a	n/a	n/a
P Shares (Net Income)*	-1.03%	-0.41%	n/a	n/a	n/a
X Shares (Net Accumulation) USD*	0.14%	n/a	n/a	n/a	n/a
FTSE AW Asia Pacific ex Japan TR GBP	8.55%	4.62%	13.38%	-10.57%	21.25%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned -1.60% against a return of 8.55% from the FTSE AW Asia Pacific ex Japan Index TR.

Despite the weak data about the Chinese economy, the country's stock markets performed strongly in the 12-month review period. The Fund's underweight position in China thus detracted considerably from performance during this period. The overweight in Australia on the other hand was a positive contributor to performance due to very strong stock selection and was able to offset part of the drag on performance from the China underweight. While the underweight in South Korea and the overweight in the Philippines were positive, these positions did not fully offset the weakness from the China position. Indeed, the underweight in financials – where the manager sees entrenched challenges – meant the Fund lagged its comparative index since market participants changed their view of the Chinese financials sector. This was more driven by sentiment rather than any improvement in the asset quality of the banks. The underweight positions in basic materials and consumer goods were on the other hand beneficial, as was the overweight in telecommunications.

The biggest detractors were the Macau casino stocks Sands China and Wynn Macau, which have been under pressure from lacklustre visitor numbers as the Chinese government continues its anti-corruption drive.

The strongest contributions to the Fund's performance came from not holding Australia's Westpac Banking and Korea's Samsung Electronics and Hyundai Motor, all of which performed very poorly over the period. Within the Fund, the largest contributors were the Macquarie Korea Infrastructure Fund, the Link Real Estate Investment Trust in Hong Kong and Meridian Energy in New Zealand.

The manager reduced the Fund's overall exposure to commodities, in particular oil and gas, in order to manage the risk of the portfolio. The position in Woodside Petroleum (oil exploration & production) was reduced and the manager sold Keppel Corp (oil rigs), PetroChina (oil & gas), WorleyParsons and BHP Billiton. To bring down the Fund's bank weighting further, in line with the manager's view of risks in Asia banks, United Overseas Bank, HSBC Holdings and Standard Chartered were sold. During the period, the manager built new positions in two Taiwanese technology companies, MediaTek and Delta Electronics based on the view of both as technology champions with good growth prospects. The manager also added new position in Australia's Incitec Pivot (fertiliser) and Insurance Australia Group, given attractive valuations.

Fund Report (continued)

Overall, the manager remained comfortable with the positioning of the portfolio. When investing in companies, a lot of attention is paid to business models, corporate governance, management track records and valuations.

On the regional level, with monetary conditions having eased recently across most of Asia, the manager expects to see further rate cuts from central banks in China, India, Australia and some of the South East Asian countries. With fiscal policy no longer as restrictive and the fall in oil is a positive for growth for the region and expectations for a rise in US interest rates diminished, investors will increasingly appreciate corporates in Asia with a disciplined approach towards capital allocation and growth potential.

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

Purchases	Sales
Insurance Australia	HSBC
MediaTek	Wesfarmers
Delta Electronics	BHP Billiton
MGM China	Standard Chartered
Singapore Telecommunications	United Overseas Bank
Incitec Pivot	China Mobile (Hong Kong)
Standard Chartered	Australia & New Zealand Banking
Nobel	Keppel
Belle International	PetroChina
China Mobile (Hong Kong)	Transurban

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	168.26	126.82	8.2595
2011	167.98	143.52	8.3898
2012	181.69	155.55	8.3516
2013	208.40	168.88	8.4451
2014	190.72	163.17	8.2317
2015	192.56	164.45	4.3476
Institutional Shares (Net Income)	Pence	Pence	Pence
2010	172.65	129.50	8.5536
2011	172.79	147.80	8.7425
2012	188.31	160.39	8.7531
2013	216.40	175.85	8.9450
2014	199.25	169.99	8.7426
2015	201.77	172.53	4.6143
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2010	219.73	157.46	10.5480
2011	228.48	198.68	11.4586
2012	266.60	217.59	12.0926
2013	312.08	260.77	12.9853
2014	305.22	253.80	13.3119
2015	320.52	274.09	7.2881
X Shares (Net Income)	Pence	Pence	Pence
2010	172.79	128.41	8.6236
2011	173.83	149.06	8.7853
2012	192.29	162.16	8.8748
2013	221.83	181.27	9.2904
2014	206.70	175.40	9.1751
2015	210.38	180.21	4.7373
Institutional Shares (Net Accumulation) Euro	Cents	Cents	Cents
2012 (from 30 January)	120.69	100.00	5.4466
2013	135.06	113.48	5.6271
2014	139.17	111.92	6.1155
2015	162.14	141.56	3.7124
Institutional Shares (Net Income) Euro	Cents	Cents	Cents
2012 (from 5 March)	110.16	96.61	4.2555
2013	121.02	98.89	5.0200
2014	117.41	96.88	5.2122
2015	131.92	115.18	3.0500
Euro Accumulation Shares	Cents	Cents	Cents
2012 (from 5 March)	113.57	96.84	4.3057
2013	126.82	106.20	5.1854
2014	129.72	104.66	5.6078
2015	150.63	131.35	3.4083
Euro Income Shares	Cents	Cents	Cents
2012 (from 5 March)	109.71	96.50	4.1918
2013	120.34	98.05	4.8973
2014	116.02	96.00	5.0511
2015	129.96	113.34	2.9640

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares (Net Income) USD	Cents	Cents	Cents
2012 (from 2 April)	108.63	92.05	3.7008
2013	119.23	101.36	5.0425
2014	114.99	99.08	5.1600
2015	105.65	96.94	2.5139
Institutional Shares (Net Accumulation) USD	Cents	Cents	Cents
2012 (from 2 April)	111.96	92.06	3.7875
2013	125.15	106.38	5.3057
2014	128.24	107.69	5.7073
2015	122.16	112.10	2.8817
USD Income Shares	Cents	Cents	Cents
2012 (from 2 April)	108.22	91.95	3.7368
2013	118.58	100.72	4.9294
2014	113.67	98.20	5.0136
2015	104.11	95.41	2.4501
USD Accumulation Shares	Cents	Cents	Cents
2012 (from 2 April)	111.54	91.95	3.7561
2013	124.44	105.69	5.1734
2014	126.57	106.61	5.5486
2015	120.17	110.15	2.7861
X Shares (Net Accumulation) USD	Cents	Cents	Cents
2013 (from 2 December)	100.00	96.80	0.6873
2014	112.41	93.87	5.0549
2015	107.65	98.96	2.5303
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 30 August)	107.63	99.24	1.0399
2013	123.81	100.74	5.1316
2014	114.33	97.41	5.0325
2015	115.95	99.20	2.6578
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 30 August)	108.02	99.24	1.0225
2013	126.57	105.91	5.2754
2014	124.18	103.11	5.4261
2015	130.60	111.73	2.9705
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 1 October)	105.21	100.00	0.6655
2013	120.91	98.24	4.9452
2014	111.30	94.97	4.8262
2015	112.72	96.37	2.5539
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 1 October)	105.21	100.00	0.6655
2013	123.16	102.87	5.0843
2014	120.33	100.11	5.1763
2015	126.31	107.99	2.8384

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
P Shares (Net Income)	Pence	Pence	Pence
2012 (from 20 September)	105.97	99.73	0.6878
2013	121.78	98.97	5.0065
2014	112.15	95.68	4.9289
2015	113.57	97.11	2.6024
P Shares (Net Accumulation)****	Pence	Pence	Pence
2012 (from 1 October)	105.22	100.00	0.6834
2013 (to 26 July)	123.16	104.64	2.7612

*Distributions are shown in the year declared rather than paid.

****P Shares (Net Accumulation) share class closed 26 July 2013.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	1,217,470,398	183.65	662,920,727
30/06/2014	779,782,245	173.26	450,074,320
30/06/2015	409,828,572	163.54	250,597,949
Institutional Shares (Net Income)		Pence	
30/06/2013	914,987,374	190.79	479,574,156
30/06/2014	651,583,258	180.82	360,356,575
30/06/2015	264,214,831	171.55	154,017,905
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	707,806,322	278.62	254,038,063
30/06/2014	1,344,335,065	276.98	485,360,275
30/06/2015	912,094,325	275.50	331,072,505
X Shares (Net Income)		Pence	
30/06/2013	28,239,271	195.79	14,422,979
30/06/2014	72,024,809	187.25	38,464,004
30/06/2015	29,651,820	179.27	16,540,120
Institutional Shares (Net Accumulation) Euro		Cents	
30/06/2013	62,548,385	119.05	61,305,931
30/06/2014	44,172,846	126.65	43,556,621
30/06/2015	29,818,132	142.35 **	29,565,945
Institutional Shares (Net Income) Euro		Cents	
30/06/2013	3,109,241	105.34	3,443,968
30/06/2014	15,121,592	106.84	17,676,006
30/06/2015	14,963,773	114.57 **	18,435,911
Euro Accumulation Shares		Cents	
30/06/2013	16,818,987	111.70	17,569,652
30/06/2014	18,487,193	118.17	19,537,671
30/06/2015	14,988,985	132.09 **	16,017,275

**Euro/Sterling exchange rate at close of business 30 June 2015:

1.4115

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Euro Income Shares			
		Cents	
30/06/2013	7,740,434	104.69	8,627,426
30/06/2014	8,858,348	105.70	10,466,297
30/06/2015	8,936,346	112.76 **	11,186,505
**Euro/Sterling exchange rate at close of business 30 June 2015:		1.4115	
Institutional Shares (Net Income) USD			
		Cents	
30/06/2013	11,719,106	103.62	17,153,636
30/06/2014	18,169,057	110.68	28,068,809
30/06/2015	16,690,708	96.58 ***	27,177,381
Institutional Shares (Net Accumulation) USD			
		Cents	
30/06/2013	13,840,588	110.14	19,059,423
30/06/2014	19,437,212	123.42	26,927,066
30/06/2015	8,443,858	112.92 ***	11,760,822
USD Income Shares			
		Cents	
30/06/2013	4,986,968	102.98	7,344,705
30/06/2014	5,059,900	109.50	7,900,720
30/06/2015	3,281,221	95.09 ***	5,427,007
USD Accumulation Shares			
		Cents	
30/06/2013	21,444,155	109.40	29,728,773
30/06/2014	44,760,563	121.92	62,774,498
30/06/2015	20,894,219	110.92 ***	29,623,077
X Shares (Net Accumulation) USD			
		Cents	
30/06/2014	63,461,959	108.01	100,458,757
30/06/2015	63,670,564	99.68 ***	100,458,757
***USD/Sterling exchange rate at close of business 30 June 2015:		1.572700	
Institutional Shares W (Net Income)			
		Pence	
30/06/2013	762,537,337	109.19	698,383,952
30/06/2014	1,185,793,593	103.71	1,143,411,095
30/06/2015	1,063,144,789	98.63	1,077,908,152
Institutional Shares W (Net Accumulation)			
		Pence	
30/06/2013	88,958,555	113.03	78,706,131
30/06/2014	299,874,433	112.64	266,222,550
30/06/2015	426,350,328	112.30	379,667,391
Retail Advised Shares B (Net Income)			
		Pence	
30/06/2013	1,248,286	106.61	1,170,922
30/06/2014	1,970,701	101.02	1,950,736
30/06/2015	2,158,749	95.83	2,252,763
Retail Advised Shares B (Net Accumulation)			
		Pence	
30/06/2013	851,793	109.94	774,781
30/06/2014	2,030,227	109.22	1,858,881
30/06/2015	2,949,412	108.53	2,717,486

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
P Shares (Net Income)		Pence	
30/06/2013	404,982	107.37	377,201
30/06/2014	70,747	101.77	69,514
30/06/2015	67,118	96.55	69,514
P Shares (Net Accumulation)****		Pence	
30/06/2013	150,128	109.96	136,526

****P Shares (Net Accumulation) share class closed 26 July 2013.

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.64	1.64
Institutional Shares (Net Income)	1.07	1.07
Institutional Shares (Net Accumulation)	1.07	1.07
X Shares (Net Income)	0.07	0.07
Institutional Shares (Net Accumulation) Euro	1.07	1.07
Institutional Shares (Net Income) Euro	1.07	1.07
Euro Accumulation Shares	1.64	1.64
Euro Income Shares	1.64	1.64
Institutional Shares (Net Income) USD	1.07	1.07
Institutional Shares (Net Accumulation) USD	1.07	1.07
USD Income Shares	1.64	1.64
USD Accumulation Shares	1.64	1.64
Institutional Shares W (Net Income)	0.82	0.82
Institutional Shares W (Net Accumulation)	0.82	0.82
Retail Advised Shares B (Net Income)	1.14	1.14
Retail Advised Shares B (Net Accumulation)	1.14	1.14
P Shares (Net Income)	1.07	1.07
X Shares (Net Accumulation) USD	0.07	0.07

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Australia 36.40% (34.18%)			
AGL Energy	8,020,874	60,954,252	1.85
Amcor	17,229,336	115,440,424	3.51
AMP	26,432,424	77,765,220	2.36
APA	17,773,528	71,573,586	2.17
Australia & New Zealand Banking	2,314,212	36,406,258	1.11
Dexus Property	10,709,689	38,207,765	1.16
Incitec Pivot	17,773,527	33,354,679	1.01
Insurance Australia	26,888,157	73,324,170	2.23
IOOF	5,377,633	23,626,684	0.72
Orora	35,547,056	36,134,237	1.10
Scentre	61,619,472	112,927,876	3.43
Spotless	78,583,963	80,266,095	2.44
Suncorp	8,020,876	52,604,905	1.60
Sydney Airport	28,792,679	70,075,037	2.13
Telstra	44,661,684	134,015,609	4.07
Transurban	26,432,424	120,006,460	3.64
Wesfarmers	873,141	16,654,625	0.50
Woodside Petroleum	2,688,815	44,966,889	1.37
New Zealand 7.43% (5.44%)			
Genesis	17,773,526	13,298,904	0.40
Meridian Energy	121,894,272	112,697,622	3.42
Mighty River Power	26,751,500	31,807,993	0.97
Spark New Zealand	53,594,023	64,415,616	1.96
Z Energy	8,932,338	22,470,566	0.68
China 0.78% (3.86%)			
China Shenhua Energy	9,310,500	13,455,131	0.41
Yuexiu Transport Infrastructure	26,754,000	12,222,300	0.37
Hong Kong 11.40% (16.31%)			
Belle International	23,545,000	17,167,596	0.52
Hopewell Highway	72,331,000	22,483,954	0.68
Hui Xian	26,752,000	9,518,674	0.29
Link Real Estate Investment Trust	26,751,000	99,391,041	3.02
Man Wah	53,776,400	33,476,691	1.02
MGM China	26,751,200	27,820,923	0.84
NWS	35,548,000	32,829,372	1.00
RREF China Commercial Trust**	5,000,000	0	0.00
Sands China	35,546,800	75,802,386	2.30
Wynn Macau	53,776,400	56,808,929	1.73
South Korea 2.11% (1.35%)			
Macquarie Korea Infrastructure Fund	15,130,290	69,429,994	2.11
Malaysia 3.42% (3.49%)			
Axiata	24,838,700	26,706,479	0.81
IGB Real Estate Investment Trust	125,395,200	28,106,039	0.85
KLCC Property	8,932,400	10,462,129	0.32
Pavilion Real Estate	86,233,700	21,508,287	0.65
Sunway Real Estate	99,837,000	25,910,712	0.79
Philippines 4.19% (3.30%)			
Manila Electric	8,020,880	32,349,076	0.98
Philippine Long Distance Telephone	2,675,145	105,552,585	3.21

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Singapore 13.42% (14.76%)			
Cache Logistics Trust	44,661,800	24,253,805	0.74
Hutchison Port	123,459,800	49,456,142	1.50
Keppel Infrastructure	133,097,400	33,939,790	1.03
Keppel Real Estate Investment Trust	89,323,300	48,296,545	1.47
Mapletree Commercial Trust	44,661,700	30,897,169	0.94
Mapletree Greater	89,323,400	42,813,142	1.30
Mapletree Industrial Real Estate Investment Trust	18,473,100	13,564,881	0.41
Mapletree Logistics Trust	75,539,700	40,130,410	1.22
Parkway Life Real Estate Investment Trust	47,506,300	51,597,049	1.57
Singapore Telecommunications	43,706,500	86,684,438	2.63
SPH Property	41,171,100	20,219,557	0.61
Taiwan 10.18% (4.82%)			
Delta Electronics	10,710,000	34,762,050	1.06
MediaTek	8,021,000	69,755,157	2.12
Taiwan Cellular	35,684,000	75,375,941	2.29
Taiwan Semiconductor Manufacturing	53,775,000	155,147,151	4.71
Thailand 7.20% (6.29%)			
Advanced Info Service (Alien Market)	10,937,600	49,212,168	1.50
Bangkok Bank	8,932,400	29,932,344	0.91
Bangkok Expressway	28,261,000	21,015,377	0.64
BTS Rail Mass Transit	62,435,200	11,988,980	0.36
Intouch (non-voting Depository Receipts)	62,435,213	91,386,608	2.78
Tesco Lotus Retail Growth Freehold & Leasehold Property	132,162,100	33,339,900	1.01
Portfolio of investments		3,177,766,374	96.53
Net current assets		114,381,376	3.47
Total Net Assets		3,292,147,750	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the United Kingdom and Indonesia portfolio categories, which, at 30 June 2014, represented 3.64% and 1.51% respectively of the Total Net Assets of the Fund.

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

**Delisted/Suspended/unlisted

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital losses	1		(114,476,402)		(194,436,956)
Revenue	2	245,213,402		219,790,391	
Expenses	3	(48,798,087)		(48,060,887)	
Finance costs: Interest	5	(3,171)		(619)	
Net revenue before taxation		196,412,144		171,728,885	
Taxation	4	(18,647,166)		(13,176,709)	
Net revenue after taxation			177,764,978		158,552,176
Total return before distributions			63,288,576		(35,884,780)
Finance costs: Distributions	5		(215,842,888)		(199,291,155)
Change in net assets attributable to Shareholders from investment activities			(152,554,312)		(235,175,935)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		4,574,993,748		3,864,862,310
Amounts receivable on issue of shares	899,986,313		1,522,036,194	
Amounts payable on cancellation of shares	(2,123,235,335)		(648,219,457)	
		(1,223,249,022)		873,816,737
Dilution adjustment		3,918,209		722,868
Stamp Duty Reserve Tax		-		(190,594)
Change in net assets attributable to Shareholders from investment activities (see above)		(152,554,312)		(235,175,935)
Retained distributions on accumulation shares		89,038,986		70,954,652
Unclaimed distributions		141		3,710
Closing net assets attributable to Shareholders		3,292,147,750		4,574,993,748

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			3,177,766,374		4,526,877,030
Debtors	7	97,280,551		46,270,246	
Cash and bank balances	8	<u>102,262,637</u>		<u>44,046,968</u>	
Total other assets			<u>199,543,188</u>		<u>90,317,214</u>
Total assets			3,377,309,562		4,617,194,244
LIABILITIES					
Creditors	9	(65,493,426)		(6,919,741)	
Distribution payable on income shares		<u>(19,668,386)</u>		<u>(35,280,755)</u>	
Total other liabilities			<u>(85,161,812)</u>		<u>(42,200,496)</u>
Total liabilities			(85,161,812)		(42,200,496)
Net assets attributable to Shareholders			<u>3,292,147,750</u>		<u>4,574,993,748</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	1.9403	0.1940	1.7463	0.0000	1.7463	2.2050
Group 2	1.3196	0.1320	1.1876	0.5587	1.7463	2.2050
Institutional Shares (Net Income)						
Group 1	2.0720	0.2072	1.8648	0.0000	1.8648	2.3394
Group 2	1.7436	0.1744	1.5692	0.2956	1.8648	2.3394
Institutional Shares (Net Accumulation)						
Group 1	3.2979	0.3298	2.9681	0.0000	2.9681	3.5377
Group 2	2.0077	0.2008	1.8069	1.1612	2.9681	3.5377
X Shares (Net Income)						
Group 1	2.0743	0.2074	1.8669	0.0000	1.8669	2.4311
Group 2	1.9529	0.1953	1.7576	0.1093	1.8669	2.4311
Institutional Shares W (Net Income)						
Group 1	1.1970	0.1197	1.0773	0.0000	1.0773	1.3431
Group 2	0.8951	0.0895	0.8056	0.2717	1.0773	1.3431
Institutional Shares W (Net Accumulation)						
Group 1	1.3487	0.1349	1.2138	0.0000	1.2138	1.4406
Group 2	1.0454	0.1045	0.9409	0.2729	1.2138	1.4406
Retail Advised Shares B (Net Income)						
Group 1	1.1450	0.1145	1.0305	0.0000	1.0305	1.2891
Group 2	0.9162	0.0916	0.8246	0.2059	1.0305	1.2891
Retail Advised Shares B (Net Accumulation)						
Group 1	1.2830	0.1283	1.1547	0.0000	1.1547	1.3765
Group 2	1.0541	0.1054	0.9487	0.2060	1.1547	1.3765
P Shares (Net Income)						
Group 1	1.1703	0.1170	1.0533	0.0000	1.0533	1.3189
Group 2	1.1703	0.1170	1.0533	0.0000	1.0533	1.3189

Final dividend distribution in cents per Share

Institutional Shares (Net Accumulation) Euro						
Group 1	1.7049	0.1705	1.5344	0.0000	1.5344	1.6175
Group 2	1.6107	0.1611	1.4496	0.0848	1.5344	1.6175
Institutional Shares (Net Income) Euro						
Group 1	1.3880	0.1388	1.2492	0.0000	1.2492	1.3824
Group 2	1.0487	0.1049	0.9438	0.3054	1.2492	1.3824
Euro Accumulation Shares						
Group 1	1.5533	0.1553	1.3980	0.0000	1.3980	1.4864
Group 2	1.0751	0.1075	0.9676	0.4304	1.3980	1.4864

Distribution Statements (continued)**Final dividend distribution in cents per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Euro Income Shares						
Group 1	1.3388	0.1339	1.2049	0.0000	1.2049	1.3464
Group 2	1.0494	0.1049	0.9445	0.2604	1.2049	1.3464
Institutional Shares (Net Income) USD						
Group 1	1.1699	0.1170	1.0529	0.0000	1.0529	1.4326
Group 2	0.5993	0.0599	0.5394	0.5135	1.0529	1.4326
Institutional Shares (Net Accumulation) USD						
Group 1	1.3483	0.1348	1.2135	0.0000	1.2135	1.5764
Group 2	1.2818	0.1282	1.1536	0.0599	1.2135	1.5764
USD Income Shares						
Group 1	1.1280	0.1128	1.0152	0.0000	1.0152	1.3946
Group 2	0.9516	0.0952	0.8564	0.1588	1.0152	1.3946
USD Accumulation Shares						
Group 1	1.2920	0.1292	1.1628	0.0000	1.1628	1.5337
Group 2	1.0279	0.1028	0.9251	0.2377	1.1628	1.5337
X Shares (Net Accumulation) USD						
Group 1	1.1747	0.1175	1.0572	0.0000	1.0572	1.3843
Group 2	1.1747	0.1175	1.0572	0.0000	1.0572	1.3843

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	2.8903	0.2890	2.6013	0.0000	2.6013	2.1346
Group 2	2.0284	0.2028	1.8256	0.7757	2.6013	2.1346
Institutional Shares (Net Income)						
Group 1	3.0550	0.3055	2.7495	0.0000	2.7495	2.2872
Group 2	2.1112	0.2111	1.9001	0.8494	2.7495	2.2872
Institutional Shares (Net Accumulation)						
Group 1	4.8000	0.4800	4.3200	0.0000	4.3200	3.4382
Group 2	3.5971	0.3597	3.2374	1.0826	4.3200	3.4382
X Shares (Net Income)						
Group 1	3.1893	0.3189	2.8704	0.0000	2.8704	2.4457
Group 2	1.5012	0.1501	1.3511	1.5193	2.8704	2.4457

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Institutional Shares W (Net Income)						
Group 1	1.7561	0.1756	1.5805	0.0000	1.5805	1.3281
Group 2	1.1037	0.1104	0.9933	0.5872	1.5805	1.3281
Institutional Shares W (Net Accumulation)						
Group 1	1.9519	0.1952	1.7567	0.0000	1.7567	1.4080
Group 2	1.1832	0.1183	1.0649	0.6918	1.7567	1.4080
Retail Advised Shares B (Net Income)						
Group 1	1.6927	0.1693	1.5234	0.0000	1.5234	1.2672
Group 2	1.4641	0.1464	1.3177	0.2057	1.5234	1.2672
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8708	0.1871	1.6837	0.0000	1.6837	1.3337
Group 2	1.0418	0.1042	0.9376	0.7461	1.6837	1.3337
P Shares (Net Income)						
Group 1	1.7212	0.1721	1.5491	0.0000	1.5491	1.2931
Group 2	1.7212	0.1721	1.5491	0.0000	1.5491	1.2931

Interim dividend distribution in cents per Share

Institutional Shares (Net Accumulation) Euro						
Group 1	2.4200	0.2420	2.1780	0.0000	2.1780	1.5169
Group 2	1.4160	0.1416	1.2744	0.9036	2.1780	1.5169
Institutional Shares (Net Income) Euro						
Group 1	2.0009	0.2001	1.8008	0.0000	1.8008	1.3271
Group 2	1.4243	0.1424	1.2819	0.5189	1.8008	1.3271
Euro Accumulation Shares						
Group 1	2.2337	0.2234	2.0103	0.0000	2.0103	1.3766
Group 2	1.0802	0.1080	0.9722	1.0381	2.0103	1.3766
Euro Income Shares						
Group 1	1.9546	0.1955	1.7591	0.0000	1.7591	1.2613
Group 2	1.4531	0.1453	1.3078	0.4513	1.7591	1.2613
Institutional Shares (Net Income) USD						
Group 1	1.6233	0.1623	1.4610	0.0000	1.4610	1.3689
Group 2	0.9750	0.0975	0.8775	0.5835	1.4610	1.3689
Institutional Shares (Net Accumulation) USD						
Group 1	1.8536	0.1854	1.6682	0.0000	1.6682	1.4877
Group 2	1.4857	0.1486	1.3371	0.3311	1.6682	1.4877
USD Income Shares						
Group 1	1.5943	0.1594	1.4349	0.0000	1.4349	1.3159
Group 2	1.0166	0.1017	0.9149	0.5200	1.4349	1.3159

Distribution Statements (continued)**Interim dividend distribution in cents per Share (continued)**

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
Prior Period 31/03/2014						
USD Accumulation Shares						
Group 1	1.8037	0.1804	1.6233	0.0000	1.6233	1.4384
Group 2	1.1529	0.1153	1.0376	0.5857	1.6233	1.4384
X Shares (Net Accumulation) USD						
Group 1	1.6368	0.1637	1.4731	0.0000	1.4731	1.3402
Group 2	1.6368	0.1637	1.4731	0.0000	1.4731	1.3402

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
Prior Period 31/12/2013						
Sterling Income Shares						
Group 1	1.4282	0.1428	1.2854	0.0000	1.2854	1.1129
Group 2	0.8764	0.0876	0.7888	0.4966	1.2854	1.1129
Institutional Shares (Net Income)						
Group 1	1.5199	0.1520	1.3679	0.0000	1.3679	1.1948
Group 2	1.0854	0.1085	0.9769	0.3910	1.3679	1.1948
Institutional Shares (Net Accumulation)						
Group 1	2.3629	0.2363	2.1266	0.0000	2.1266	1.7682
Group 2	1.6502	0.1650	1.4852	0.6414	2.1266	1.7682
X Shares (Net Income)						
Group 1	1.5884	0.1588	1.4296	0.0000	1.4296	1.2596
Group 2	1.3051	0.1305	1.1746	0.2550	1.4296	1.2596
Institutional Shares W (Net Income)						
Group 1	0.8720	0.0872	0.7848	0.0000	0.7848	0.6832
Group 2	0.5210	0.0521	0.4689	0.3159	0.7848	0.6832
Institutional Shares W (Net Accumulation)						
Group 1	0.9612	0.0961	0.8651	0.0000	0.8651	0.7199
Group 2	0.6396	0.0640	0.5756	0.2895	0.8651	0.7199
Retail Advised Shares B (Net Income)						
Group 1	0.8330	0.0833	0.7497	0.0000	0.7497	0.6489
Group 2	0.5639	0.0564	0.5075	0.2422	0.7497	0.6489
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9138	0.0914	0.8224	0.0000	0.8224	0.6795
Group 2	0.6116	0.0612	0.5504	0.2720	0.8224	0.6795
P Shares (Net Income)						
Group 1	0.8557	0.0856	0.7701	0.0000	0.7701	0.6459
Group 2	0.8557	0.0856	0.7701	0.0000	0.7701	0.6459

Distribution Statements (continued)**Interim dividend distribution in cents per Share**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares (Net Accumulation) Euro						
Group 1	1.1148	0.1115	1.0033	0.0000	1.0033	0.7780
Group 2	0.8764	0.0876	0.7888	0.2145	1.0033	0.7780
Institutional Shares (Net Income) Euro						
Group 1	0.9268	0.0927	0.8341	0.0000	0.8341	0.6807
Group 2	0.5917	0.0592	0.5325	0.3016	0.8341	0.6807
Euro Accumulation Shares						
Group 1	1.0198	0.1020	0.9178	0.0000	0.9178	0.7054
Group 2	0.6570	0.0657	0.5913	0.3265	0.9178	0.7054
Euro Income Shares						
Group 1	0.8991	0.0899	0.8092	0.0000	0.8092	0.6529
Group 2	0.5814	0.0581	0.5233	0.2859	0.8092	0.6529
Institutional Shares (Net Income) USD						
Group 1	0.8484	0.0848	0.7636	0.0000	0.7636	0.7092
Group 2	0.6193	0.0619	0.5574	0.2062	0.7636	0.7092
Institutional Shares (Net Accumulation) USD						
Group 1	0.9601	0.0960	0.8641	0.0000	0.8641	0.7624
Group 2	0.6929	0.0693	0.6236	0.2405	0.8641	0.7624
USD Income Shares						
Group 1	0.8232	0.0823	0.7409	0.0000	0.7409	0.6829
Group 2	0.5959	0.0596	0.5363	0.2046	0.7409	0.6829
USD Accumulation Shares						
Group 1	0.9300	0.0930	0.8370	0.0000	0.8370	0.7306
Group 2	0.5822	0.0582	0.5240	0.3130	0.8370	0.7306
X Shares (Net Accumulation) USD						
Group 1	0.8501	0.0850	0.7651	0.0000	0.7651	0.6873
Group 2	0.8501	0.0850	0.7651	0.0000	0.7651	0.6873

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	2.8963	0.2896	2.6067	0.0000	2.6067	2.6970
Group 2	1.6500	0.1650	1.4850	1.1217	2.6067	2.6970
Institutional Shares (Net Income)						
Group 1	3.0534	0.3053	2.7481	0.0000	2.7481	2.8688
Group 2	1.8552	0.1855	1.6697	1.0784	2.7481	2.8688

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Institutional Shares (Net Accumulation)						
Group 1	4.6771	0.4677	4.2094	0.0000	4.2094	4.2121
Group 2	1.7020	0.1702	1.5318	2.6776	4.2094	4.2121
X Shares (Net Income)						
Group 1	3.1874	0.3187	2.8687	0.0000	2.8687	3.0240
Group 2	2.2138	0.2214	1.9924	0.8763	2.8687	3.0240
Institutional Shares W (Net Income)						
Group 1	1.7517	0.1752	1.5765	0.0000	1.5765	1.6534
Group 2	1.1247	0.1125	1.0122	0.5643	1.5765	1.6534
Institutional Shares W (Net Accumulation)						
Group 1	1.9027	0.1903	1.7124	0.0000	1.7124	1.7184
Group 2	1.1313	0.1131	1.0182	0.6942	1.7124	1.7184
Retail Advised Shares B (Net Income)						
Group 1	1.6891	0.1689	1.5202	0.0000	1.5202	1.5892
Group 2	1.0091	0.1009	0.9082	0.6120	1.5202	1.5892
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8263	0.1826	1.6437	0.0000	1.6437	1.6447
Group 2	0.9406	0.0941	0.8465	0.7972	1.6437	1.6447
P Shares (Net Income)						
Group 1	1.7187	0.1719	1.5468	0.0000	1.5468	1.6124
Group 2	1.7187	0.1719	1.5468	0.0000	1.5468	1.6124

Interim dividend distribution in cents per Share

Institutional Shares (Net Accumulation) Euro						
Group 1	2.1976	0.2198	1.9778	0.0000	1.9778	1.8365
Group 2	0.8919	0.0892	0.8027	1.1751	1.9778	1.8365
Institutional Shares (Net Income) Euro						
Group 1	1.8540	0.1854	1.6686	0.0000	1.6686	1.6174
Group 2	1.0953	0.1095	0.9858	0.6828	1.6686	1.6174
Euro Accumulation Shares						
Group 1	2.0300	0.2030	1.8270	0.0000	1.8270	1.6832
Group 2	0.8213	0.0821	0.7392	1.0878	1.8270	1.6832
Euro Income Shares						
Group 1	1.8158	0.1816	1.6342	0.0000	1.6342	1.5779
Group 2	1.1323	0.1132	1.0191	0.6151	1.6342	1.5779
Institutional Shares (Net Income) USD						
Group 1	1.7721	0.1772	1.5949	0.0000	1.5949	1.6772
Group 2	1.4858	0.1486	1.3372	0.2577	1.5949	1.6772

Distribution Statements (continued)**Interim dividend distribution in cents per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Institutional Shares (Net Accumulation) USD						
Group 1	1.9768	0.1977	1.7791	0.0000	1.7791	1.7628
Group 2	0.7376	0.0738	0.6638	1.1153	1.7791	1.7628
USD Income Shares						
Group 1	1.7358	0.1736	1.5622	0.0000	1.5622	1.6256
Group 2	0.7048	0.0705	0.6343	0.9279	1.5622	1.6256
USD Accumulation Shares						
Group 1	1.9328	0.1933	1.7395	0.0000	1.7395	1.7311
Group 2	0.6239	0.0624	0.5615	1.1780	1.7395	1.7311
X Shares (Net Accumulation) USD						
Group 1	1.7392	0.1739	1.5653	0.0000	1.5653	n/a
Group 2	1.7392	0.1739	1.5653	0.0000	1.5653	n/a

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital losses

The net capital losses on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Losses on non-derivative securities	(115,801,081)	(195,442,736)
Losses on forward currency contracts	(160,614)	-
Currency exchange gains	1,688,189	1,082,935
Activity charges	(202,896)	(38,143)
Overseas transaction tax	-	(39,012)
Net capital losses	(114,476,402)	(194,436,956)

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	3,085	210,759
Overseas dividends	236,863,313	212,989,449
Stock lending	145,586	575,314
UK dividends	8,201,418	6,014,869
Total revenue	245,213,402	219,790,391

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	45,012,507	44,410,887
Administration fees	1,932,915	2,058,352
Registrar's disbursement fees	25,637	25,205
Safe custody charges	1,758,195	1,491,481
	48,729,254	47,985,925
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	1,930	4,641
	61,330	64,041
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,226	7,800
- Non-audit services (tax compliance fee)†	-	2,832
Financial Conduct Authority fee	277	289
	7,503	10,921
Total expenses	48,798,087	48,060,887

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,600 (2014: £6,500) and £nil (2014: £2,360) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	18,007,921	13,176,709
Total current tax charge (see note 4b)	<u>18,007,921</u>	<u>13,176,709</u>
Deferred tax movement for the year (see note 4c)	639,245	-
Total tax charge	<u>18,647,166</u>	<u>13,176,709</u>
b) Factors affecting the tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).		
The differences are explained below:		
Net revenue before taxation	<u>196,412,144</u>	<u>171,728,885</u>
Corporation tax @ 20%	39,282,429	34,345,777
Effects of:		
Dividends not subject to corporation tax	(37,445,663)	(37,193,889)
Double tax relief	(1,085,006)	-
Excess management expenses prior year adjustment	8,303,652	2,848,112
Excess management expenses utilised	(9,842,452)	-
Movement in revenue accruals not taxable	787,040	-
Overseas tax withheld	18,007,921	13,176,709
Total current tax charge (see note 4a)	<u>18,007,921</u>	<u>13,176,709</u>
c) Deferred tax		
Opening deferred tax balance	-	-
Deferred tax movement for the year (see note 4a)	639,245	-
Closing deferred tax balance	<u>639,245</u>	<u>-</u>

Notes to the Financial Statements (continued)

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 30 September - Sterling Income Shares	10,285,407	18,214,064
Interim dividend 30 September - Institutional Shares (Net Income)	9,770,189	13,610,716
Interim dividend 30 September - Institutional Shares (Net Accumulation)	20,254,532	13,598,188
Interim dividend 30 September - X Shares (Net Income)	1,439,916	897,086
Interim dividend 30 September - Institutional Shares (Net Accumulation) Euro	652,485	1,022,225
Interim dividend 30 September - Institutional Shares (Net Income) Euro	255,437	74,544
Interim dividend 30 September - Euro Accumulation Shares	307,005	263,459
Interim dividend 30 September - Euro Income Shares	141,777	120,616
Interim dividend 30 September - Institutional Shares (Net Income) USD	335,963	285,691
Interim dividend 30 September - Institutional Shares (Net Accumulation) USD	299,586	250,278
Interim dividend 30 September - USD Income Shares	74,756	91,399
Interim dividend 30 September - USD Accumulation Shares	859,267	447,825
Interim dividend 30 September - Institutional Shares W (Net Income)	19,596,325	12,195,856
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	5,287,911	1,937,990
Interim dividend 30 September - Retail Advised Shares B (Net Income)	30,221	22,473
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	37,092	18,364
Interim dividend 30 September - P Shares (Net Income)	1,075	1,997
Interim dividend 30 September - X Shares (Net Accumulation) USD	970,038	-
Interim dividend 31 December - Sterling Income Shares	4,711,172	6,694,996
Interim dividend 31 December - Institutional Shares (Net Income)	4,579,247	5,566,996
Interim dividend 31 December - Institutional Shares (Net Accumulation)	9,551,336	6,671,133
Interim dividend 31 December - X Shares (Net Income)	601,049	207,073
Interim dividend 31 December - Institutional Shares (Net Accumulation) Euro	313,973	308,574
Interim dividend 31 December - Institutional Shares (Net Income) Euro	134,366	27,562
Interim dividend 31 December - Euro Accumulation Shares	147,109	113,293
Interim dividend 31 December - Euro Income Shares	98,206	50,467
Interim dividend 31 December - Institutional Shares (Net Income) USD	170,205	116,999
Interim dividend 31 December - Institutional Shares (Net Accumulation) USD	132,221	125,317
Interim dividend 31 December - USD Income Shares	35,126	32,993
Interim dividend 31 December - USD Accumulation Shares	390,514	204,630
Interim dividend 31 December - Institutional Shares W (Net Income)	10,315,028	6,261,540
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	3,054,296	1,075,746
Interim dividend 31 December - Retail Advised Shares B (Net Income)	16,860	10,980
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	21,061	12,409
Interim dividend 31 December - P Shares (Net Income)	535	205
Interim dividend 31 December - X Shares (Net Accumulation) USD	492,951	416,877
Interim dividend 31 March - Sterling Income Shares	7,583,054	11,568,778
Interim dividend 31 March - Institutional Shares (Net Income)	7,604,109	8,027,580
Interim dividend 31 March - Institutional Shares (Net Accumulation)	20,735,309	15,983,151
Interim dividend 31 March - X Shares (Net Income)	1,132,972	560,319
Interim dividend 31 March - Institutional Shares (Net Accumulation) Euro	600,666	532,328
Interim dividend 31 March - Institutional Shares (Net Income) Euro	283,869	178,155
Interim dividend 31 March - Euro Accumulation Shares	306,242	203,809
Interim dividend 31 March - Euro Income Shares	199,248	91,820
Interim dividend 31 March - Institutional Shares (Net Income) USD	318,089	189,000
Interim dividend 31 March - Institutional Shares (Net Accumulation) USD	269,649	220,319
Interim dividend 31 March - USD Income Shares	77,217	60,258
Interim dividend 31 March - USD Accumulation Shares	663,867	482,882
Interim dividend 31 March - Institutional Shares W (Net Income)	21,855,110	13,116,030
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	6,717,917	2,783,167
Interim dividend 31 March - Retail Advised Shares B (Net Income)	35,247	21,713
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	45,710	22,400

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 March - P Shares (Net Income)	1,077	413
Interim dividend 31 March - X Shares (Net Accumulation) USD	996,859	807,575
Final dividend 30 June - Sterling Income Shares	4,376,112	9,924,139
Final dividend 30 June - Institutional Shares (Net Income)	2,872,140	8,430,182
Final dividend 30 June - Institutional Shares (Net Accumulation)	9,826,491	17,170,590
Final dividend 30 June - X Shares (Net Income)	308,781	935,098
Final dividend 30 June - Institutional Shares (Net Accumulation) Euro	321,396	564,146
Final dividend 30 June - Institutional Shares (Net Income) Euro	163,167	195,664
Final dividend 30 June - Euro Accumulation Shares	158,637	232,542
Final dividend 30 June - Euro Income Shares	95,493	112,839
Final dividend 30 June - Institutional Shares (Net Income) USD	181,943	235,175
Final dividend 30 June - Institutional Shares (Net Accumulation) USD	90,750	248,255
Final dividend 30 June - USD Income Shares	35,032	64,440
Final dividend 30 June - USD Accumulation Shares	219,027	563,074
Final dividend 30 June - Institutional Shares W (Net Income)	11,611,770	15,357,154
Final dividend 30 June - Institutional Shares W (Net Accumulation)	4,608,429	3,835,202
Final dividend 30 June - Retail Advised Shares B (Net Income)	23,216	25,147
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	31,378	25,587
Final dividend 30 June - P Shares (Net Income)	732	917
Final dividend 30 June - X Shares (Net Accumulation) USD	675,282	813,317
	210,390,224	204,533,726
Amounts added on issue of shares	(3,147,161)	(8,117,626)
Amounts deducted on cancellation of shares	8,599,825	2,875,055
Net distributions for the year	215,842,888	199,291,155
Interest	3,171	619
Total finance costs	215,846,059	199,291,774

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	177,764,978	158,552,176
ACD's periodic charge less tax relief paid from capital	38,051,207	40,710,962
Equalisation on conversions	25,215	28,454
Undistributed revenue brought forward	1,488	1,051
Undistributed revenue carried forward	-	(1,488)
	215,842,888	199,291,155

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	28,109,490	27,325,671
Amount receivable for issue of shares	65,364	18,196,033
Amounts receivable on open currency contracts	31,762,000	-
Dilution adjustment receivable	119,467	-
Overseas tax recoverable	119,338	-
Sales awaiting settlement	37,104,892	748,542
	97,280,551	46,270,246

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	5,439	32,132,067
Cash held in BNY Mellon Sterling Liquidity Fund	102,257,198	11,914,901
	102,262,637	44,046,968

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	3,465,783	4,319,130
Amount payable for cancellation of shares	29,604,171	1,855,222
Amounts payable on open currency contracts	31,784,227	-
Deferred tax liability	639,245	-
Purchases awaiting settlement	-	745,389
	65,493,426	6,919,741

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due to the ACD at 30 June 2015 in respect of these transactions was £32,996,322 (30/06/14: £12,038,115 due from the ACD).

11 Financial instruments**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Derivative risk (continued)**

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	-	79,636,061	79,636,061	186,255,556
Australia	1,198,304,771	10,601,699	1,208,906,470	1,580,576,618
China	9,518,674	4,278,875	13,797,549	9,472,536
Europe	-	261,596	261,596	464,751
Hong Kong	391,458,323	2,696,220	394,154,543	834,297,174
Indonesia	-	-	-	68,980,328
Malaysia	112,693,646	4,105,369	116,799,015	159,444,882
New Zealand	244,690,701	-	244,690,701	249,143,960
Philippines	137,901,661	-	137,901,661	150,926,604
Singapore	392,396,786	110,435	392,507,221	675,220,552
South Korea	69,429,994	1,412,750	70,842,744	63,422,010
Taiwan	335,040,299	8,472,308	343,512,607	224,619,447
Thailand	236,875,377	2,472,579	239,347,956	287,961,050
United States of America	49,456,142	333,484	49,789,626	84,208,280
Total	3,177,766,374	114,381,376	3,292,147,750	4,574,993,748

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	566,294,055	1,257,526,413
Commissions	821,716	2,163,270
Taxes	349,854	450,947
Total purchase costs	1,171,570	2,614,217
Gross purchases total	567,465,625	1,260,140,630
Analysis of total sales proceeds:		
Sales before transaction costs	1,827,541,178	296,211,212
Commissions	(2,062,206)	(510,465)
Taxes	(924,940)	(167,918)
Total sales costs	(2,987,146)	(678,383)
Total sales net of transaction costs	1,824,554,032	295,532,829

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date. (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015, £2,913,377 of investments were subject to stock lending agreements and the Fund held £3,112,339 in collateral. The collateral is held 14.10% in equity and 85.90% in debt securities.

As at 30 June 2014, £12,698,374 of investments was subject to stock lending agreements and the Fund held £13,906,617 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £181,983 (30/06/14: £719,143) and £36,397 (30/06/14: £143,829).

15 Shareholders' funds

The Fund currently has eighteen share classes; Sterling Income Shares, Institutional Shares (Net Income), Institutional Shares (Net Accumulation), X Shares (Net Income), Euro Institutional Net Accumulation Shares, Euro Institutional Income Shares, Euro Accumulation Shares, Euro Income Shares, USD Institutional Net Income Shares, USD Institutional Net Accumulation Shares, USD Income Shares, USD Accumulation Shares, Institutional W Net Income, Institutional W Net Accumulation, Retail Advised B Net Income, Retail Advised B Net Accumulation, P Shares (Income) and P Shares (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Net Income)	1.00%	0.03%
Institutional Shares (Net Accumulation)	1.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
Institutional Shares (Net Accumulation) Euro	1.00%	0.03%
Institutional Shares (Net Income) Euro	1.00%	0.03%
Euro Accumulation Shares	1.50%	0.10%
Euro Income Shares	1.50%	0.10%
Institutional Shares (Net Income) USD	1.00%	0.03%
Institutional Shares (Net Accumulation) USD	1.00%	0.03%
USD Income Shares	1.50%	0.10%
USD Accumulation Shares	1.50%	0.10%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%
P Shares (Net Income)	1.00%	0.03%
X Shares (Net Accumulation) USD	0.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 208 to 210. The distributions are given in the distribution statements on pages 216 to 222. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON CONTINENTAL EUROPEAN FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£148.96m
Comparative Index:	FTSE Europe ex UK TR GBP
Sector:	The Investment Association Europe Excluding UK

Yield as at 30 June 2015:

Sterling Income Shares	1.25%
Euro Accumulation Shares	1.06%
Exempt Shares 1 (Net Accumulation)	2.32%
Institutional Shares W (Net Income)	2.07%
Institutional Shares W (Net Accumulation)	2.07%
Retail Advised Shares B (Net Income)	1.75%
Retail Advised Shares B (Net Accumulation)	1.74%

Key Dates: Fund Launch 01 June 1987 (managed by Newton since November 1994)

Investment Objective

The objective of the Fund is to achieve long-term capital growth from a portfolio of predominantly European securities. The fund may also invest in collective investment schemes.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	3.63%	13.18%	25.56%	-15.17%	18.61%
Euro Accumulation Shares	2.75%	12.67%	24.32%	-15.19%	17.70%
Exempt Shares 1 (Net Accumulation)	4.74%	14.40%	26.91%	-14.27%	19.88%
Institutional Shares W (Net Income)*	4.46%	14.10%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.46%	14.11%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	4.11%	13.74%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	4.11%	13.76%	n/a	n/a	n/a
FTSE Europe ex UK TR GBP	1.12%	16.38%	27.85%	-20.03%	29.56%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period in review, the Sterling Income Share Class of the Fund returned 3.63% against a return of 1.12% from the FTSE World Europe ex UK Index.

Stock selection was the main source of outperformance. Top contributors included German companies LEG Immobilien and Bayer as well as YOOX. Residential real-estate firm LEG performed well as successive cuts to the European Central Bank's already low interest rates supported the German property market. Bayer rose after announcing it was to float its lower profit plastics division on the stock market and focus more on healthcare. YOOX announced a merger with Richemont's Net-a-Porter. Detractors included oil companies Galp Energia of Portugal and Statoil of Norway, as the oil price fell sharply. French cable manufacturer Nexans, which reported a poor set of results prompting management change, was also a negative contributor.

In the latter part of 2014, the Fund bought Vivendi and Infineon. French media company Vivendi is steadily divesting its telecommunications assets and refocusing on media. Infineon is a leader in key niches of industrial and automotive semiconductors, and is outgrowing its peers. Emerging market-orientated telecoms and media firm Millicom was sold, as it became clear that its roll-out of online services in emerging markets would be less profitable than previously thought. Telefonica Deutschland was introduced as potential synergies from its takeover of KPN's German business E-Plus look promising. In terms of sales, disposals included Danish shipping conglomerate AP Moller-Maersk and Swedish bank SEB.

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

Purchases	Sales
Vivendi	Total
Statoil	Roche
Intesa Sanpaolo	AP Moeller-Maersk series 'B' shares
Entra	Enel
Svenska Cellulosa series 'B' shares	UniCredit
Sanofi	Vinci
Atlantia	Deutsche Telekom
Veolia Environnement	Sanofi
Vinci	Novartis
TeliaSonera	Nestlé

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	174.38	141.46	1.9553
2011	176.41	125.03	2.3903
2012	162.25	135.66	3.0310
2013	198.42	162.75	2.2286
2014	204.31	174.72	2.3222
2015	219.43	189.50	2.2173
Euro Accumulation Shares	Cents	Cents	Cents
2010	100.08	84.11	0.7392
2011	103.00	72.58	0.7584
2012	101.94	84.42	1.3424
2013	122.68	101.13	0.3084
2014	130.75	114.34	1.2750
2015	158.15	126.01	0.8949
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2010	157.09	129.56	3.3519
2011	163.03	117.65	3.8922
2012	157.99	129.06	4.3313
2013	197.46	158.50	3.9450
2014	204.65	177.74	4.4445
2015	224.40	193.26	4.4463
P Shares (Net Income)***	Pence	Pence	Pence
2012 (from 20 June)	116.49	97.00	0.0458
2013 (to 23 September)	136.16	116.86	2.3481
***P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 30 August)	110.77	100.00	N/A
2013	135.17	111.13	2.6289
2014	139.88	118.93	2.7523
2015	149.92	129.20	2.6313
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 30 August)	110.77	100.00	N/A
2013	138.18	111.13	2.6332
2014	142.99	124.08	2.8052
2015	156.43	134.81	2.7462
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 27 September)	107.30	98.19	N/A
2013	130.82	107.64	2.3250
2014	135.11	115.17	2.1814
2015	144.96	125.02	2.1229
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 27 September)	107.30	98.19	N/A
2013	133.48	107.64	2.1697
2014	137.86	119.49	2.2544
2015	150.40	129.72	2.1838

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares			
30/06/2013	165,581,648	Pence 173.27	95,564,051
30/06/2014	164,407,252	194.79	84,400,630
30/06/2015	128,028,352	196.74	65,074,158
Euro Accumulation Shares			
30/06/2013	1,126,989	Cents 104.93	1,253,235
30/06/2014	2,560,677	127.12	2,515,555
30/06/2015	3,532,779	146.01 **	3,415,263
**Euro/Sterling exchange rate at close of business 30 June 2015: 1.411500			
Exempt Shares 1 (Net Accumulation)			
30/06/2013	1,768,497	Pence 171.81	1,029,317
30/06/2014	1,357,619	197.56	687,188
30/06/2015	1,006,482	203.94	493,528
P Shares (Net Income)***			
30/06/2013	39,465	Pence 124.03	31,820
***P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)			
30/06/2013	1,243,454	Pence 117.71	1,056,361
30/06/2014	5,781,679	132.27	4,371,246
30/06/2015	14,009,176	133.54	10,490,468
Institutional Shares W (Net Accumulation)			
30/06/2013	211,619	Pence 120.33	175,869
30/06/2014	1,130,260	138.02	818,930
30/06/2015	2,208,562	142.08	1,554,436
Retail Advised Shares B (Net Income)			
30/06/2013	2,384,540	Pence 114.04	2,090,889
30/06/2014	2,245,936	128.21	1,751,764
30/06/2015	169,282	129.43	130,794
Retail Advised Shares B (Net Accumulation)			
30/06/2013	5,818	Pence 116.34	5,001
30/06/2014	6,652	133.04	5,000
30/06/2015	6,826	136.52	5000

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.65	1.65
Euro Accumulation Shares	2.16	2.15
Exempt Shares 1 (Net Accumulation)	0.58	0.58
Institutional Shares W (Net Income)	0.84	0.83
Institutional Shares W (Net Accumulation)	0.84	0.83
Retail Advised Shares B (Net Income)	1.15	1.15
Retail Advised Shares B (Net Accumulation)	1.15	1.15

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Belgium 2.37% (2.03%)			
Anheuser-Busch InBev	46,343	3,529,488	2.37
Denmark 5.41% (5.13%)			
Novo Nordisk class 'B' shares	152,687	5,286,920	3.55
TDC	593,171	2,764,267	1.86
Finland 2.95% (3.28%)			
Nokia	1,019,393	4,398,231	2.95
France 17.83% (16.00%)			
Air Liquide	42,586	3,422,870	2.30
Essilor International	33,644	2,550,413	1.71
Nexans	56,934	1,355,082	0.91
Sanofi	48,855	3,054,173	2.05
Vallourec	125,311	1,625,980	1.09
Veolia Environnement	272,765	3,533,481	2.37
Vinci	81,388	2,990,858	2.01
Vivendi	360,063	5,771,467	3.87
Worldline	173,197	2,257,757	1.52
Germany 16.96% (16.67%)			
Bayer	64,304	5,737,930	3.85
Brenntag	86,569	3,165,917	2.13
Commerzbank	391,441	3,193,371	2.14
Continental	16,750	2,521,697	1.70
Deutsche Telekom	117,040	1,286,072	0.86
Infineon Technologies	305,304	2,417,125	1.62
LEG Immobilien	68,414	3,022,042	2.03
MTU Aero Engines	27,780	1,666,603	1.12
Telefonica Deutschland	413,376	1,517,323	1.02
Wacker Chemie	11,175	733,599	0.49
Ireland 2.04% (1.20%)			
CRH	168,317	3,033,045	2.04
Italy 8.90% (11.74%)			
Atlantia	261,165	4,100,189	2.75
Intesa Sanpaolo	2,159,421	4,975,159	3.34
Pirelli	179,404	1,923,048	1.29
Yoox	109,962	2,260,005	1.52
Netherlands 6.83% (7.54%)			
Ahold	167,286	1,991,077	1.34
Reed Elsevier	168,872	2,545,343	1.71
Unilever	79,563	2,105,615	1.42
Wolters Kluwer	186,362	3,517,971	2.36
Norway 5.75% (3.74%)			
DNB	269,187	2,841,265	1.91
Entra	468,059	2,733,083	1.83
Statoil	264,397	2,993,706	2.01
Portugal 2.15% (2.67%)			
Galp Energia	428,560	3,194,085	2.15
Spain 3.04% (2.56%)			
Inditex	219,572	4,535,332	3.04

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sweden 5.21% (4.76%)			
Ericsson series 'B' shares	380,930	2,507,511	1.68
Svenska Cellulosa series 'B' shares	237,191	3,829,722	2.57
TeliaSonera	383,074	1,432,541	0.96
Switzerland 20.31% (21.97%)			
Credit Suisse	266,071	4,652,350	3.12
Nestlé	144,037	6,614,844	4.44
Novartis	134,816	8,452,371	5.67
Roche	28,022	4,995,077	3.35
Zurich Financial Services	28,725	5,560,119	3.73
Portfolio of investments		148,596,124	99.75
Net current assets		365,335	0.25
Total Net Assets		148,961,459	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		1,793,237	21,264,277
Revenue	2	4,224,275		5,350,116
Expenses	3	(2,613,677)		(2,982,053)
Finance costs: Interest	5	(5,173)		-
Net revenue before taxation		1,605,425		2,368,063
Taxation	4	80,141		(142,647)
Net revenue after taxation			1,685,566	2,225,416
Total return before distributions			3,478,803	23,489,693
Finance costs: Distributions	5		(1,708,812)	(2,235,068)
Change in net assets attributable to Shareholders from investment activities			1,769,991	21,254,625

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		177,490,075	172,362,030
Amounts receivable on issue of shares	6,890,343		5,040,213
Amounts payable on cancellation of shares	(37,289,881)		(21,250,906)
		(30,399,538)	(16,210,693)
Dilution adjustment		14,588	-
Change in net assets attributable to Shareholders from investment activities (see above)		1,769,991	21,254,625
Retained distributions on accumulation shares		86,394	79,310
Unclaimed distributions		(51)	4,803
Closing net assets attributable to Shareholders		148,961,459	177,490,075

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			148,596,124		176,226,731
Debtors	7	1,339,024		7,996,646	
Cash and bank balances	8	<u>1,798,291</u>		<u>2,623,092</u>	
Total other assets			<u>3,137,315</u>		<u>10,619,738</u>
Total assets			151,733,439		186,846,469
LIABILITIES					
Bank overdraft	8	(25,057)		-	
Creditors	9	(1,025,200)		(7,237,920)	
Distribution payable on income shares		<u>(1,721,723)</u>		<u>(2,118,474)</u>	
Total other liabilities			<u>(2,771,980)</u>		<u>(9,356,394)</u>
Total liabilities			(2,771,980)		(9,356,394)
Net assets attributable to Shareholders			<u>148,961,459</u>		<u>177,490,075</u>

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	2.4637	0.2464	2.2173	0.0000	2.2173	2.3222
Group 2	2.4637	0.2464	2.2173	0.0000	2.2173	2.3222
Exempt Shares 1 (Net Accumulation)						
Group 1	4.9403	0.4940	4.4463	0.0000	4.4463	4.4445
Group 2	4.1927	0.4193	3.7734	0.6729	4.4463	4.4445
Institutional Shares W (Net Income)						
Group 1	2.9237	0.2924	2.6313	0.0000	2.6313	2.7523
Group 2	2.5099	0.2510	2.2589	0.3724	2.6313	2.7523
Institutional Shares W (Net Accumulation)						
Group 1	3.0513	0.3051	2.7462	0.0000	2.7462	2.8052
Group 2	2.7098	0.2710	2.4388	0.3074	2.7462	2.8052
Retail Advised Shares B (Net Income)						
Group 1	2.3588	0.2359	2.1229	0.0000	2.1229	2.1814
Group 2	2.3588	0.2359	2.1229	0.0000	2.1229	2.1814
Retail Advised Shares B (Net Accumulation)						
Group 1	2.4264	0.2426	2.1838	0.0000	2.1838	2.2544
Group 2	2.4264	0.2426	2.1838	0.0000	2.1838	2.2544

Final dividend distribution in cents per Share

Euro Accumulation Shares						
Group 1	0.9943	0.0994	0.8949	0.0000	0.8949	1.2750
Group 2	0.9943	0.0994	0.8949	0.0000	0.8949	1.2750

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	2,388,380	21,240,047
Losses on derivative contracts	(202,683)	-
Currency exchange (losses)/gains	(357,473)	34,463
Activity charges	(34,987)	(10,233)
Net capital gains	1,793,237	21,264,277

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	-	20,968
Overseas dividends	4,192,564	5,257,840
Stock lending	31,711	71,308
Total revenue	4,224,275	5,350,116

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	2,400,378	2,723,746
Administration fees	157,246	180,854
Registrar's disbursement fees	155	64
Safe custody charges	24,204	26,903
	2,581,983	2,931,567
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	24,467	25,491
Distribution reconciliation service	-	420
	24,467	25,911
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,940	6,840
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	287	277
Expenses associated with making tax reclaims	-	14,518
	7,227	24,575
Total expenses	2,613,677	2,982,053

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,800 (2014: £5,700) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	-	-
Overseas tax withheld	(80,141)	163,097
Repayment of French withholding tax	-	(20,450)
Total current tax charge (see note 4b)	(80,141)	142,647

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	1,605,425	2,368,063
Corporation tax @ 20%	321,085	473,613
Effects of:		
Dividends not subject to corporation tax	(812,557)	(1,046,370)
Excess management expenses	491,472	572,757
Repayment of French withholding tax	-	(20,450)
Overseas tax withheld	(80,141)	163,097
Total current tax charge (see note 4a)	(80,141)	142,647

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £27,057,348 (30/06/14: £24,599,985), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £5,411,469 (30/06/14: £4,919,997).

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	1,442,912	1,959,951
Final dividend 30 June - Euro Accumulation Shares	21,652	25,682
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	21,944	30,542
Final dividend 30 June - Institutional Shares W (Net Income)	276,034	120,310
Final dividend 30 June - Institutional Shares W (Net Accumulation)	42,689	22,973
Final dividend 30 June - Retail Advised Shares B (Net Income)	2,777	38,213
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	109	113
	1,808,117	2,197,784
Amounts added on issue of shares	1,691	(6,160)
Amounts deducted on cancellation of shares	(100,996)	43,444
Net distributions for the year	1,708,812	2,235,068
Interest	5,173	-
Total finance costs	1,713,985	2,235,068

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	1,685,566	2,225,416
Equalisation on conversions	23,229	9,616
Undistributed revenue brought forward	17	53
Undistributed revenue carried forward	-	(17)
	<u>1,708,812</u>	<u>2,235,068</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	-	278,250
Amount receivable for issue of shares	53,593	138,131
Capital dividend accrued	-	245,877
Overseas tax recoverable	658,739	671,792
Sales awaiting settlement	626,692	6,662,596
	<u>1,339,024</u>	<u>7,996,646</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	-	1,508,594
Cash held in BNY Mellon Sterling Liquidity Fund	1,798,291	1,114,498
	<u>1,798,291</u>	<u>2,623,092</u>
Overdrawn cash and bank balances		
Bank overdraft	(25,057)	-
	<u>(25,057)</u>	<u>-</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	222,805	258,414
Amount payable for cancellation of shares	181,282	656,832
Purchases awaiting settlement	621,113	6,322,674
	<u>1,025,200</u>	<u>7,237,920</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, details of shares issued and cancelled by the ACD are shown in the Statement of Changes in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £343,081 (30/06/14: £766,546).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative Risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	-	(273,926)	(273,926)	(683,812)
Denmark	8,051,187	15,460	8,066,647	9,099,256
Europe	93,932,350	885,213	94,817,563	114,625,744
Norway	8,568,054	38,618	8,606,672	6,651,125
Poland	-	-	-	47,428
Sweden	7,769,773	-	7,769,773	8,439,134
Switzerland	30,274,760	(300,030)	29,974,730	39,311,200
Total	148,596,124	365,335	148,961,459	177,490,075

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	88,326,316	131,866,093
Commissions	43,969	64,361
Taxes	80,955	105,445
Total purchase costs	124,924	169,806
Gross purchases total	88,451,240	132,035,899
Analysis of total sales proceeds:		
Sales before transaction costs	117,819,766	146,221,528
Commissions	(53,119)	(77,548)
Taxes	(405)	(518)
Total sales costs	(53,524)	(78,066)
Total sales net of transaction costs	117,766,242	146,143,462

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date. (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015 £17,112,582 of investments were subject to stock lending agreements and the Fund held £18,841,472 in collateral. The collateral is held 18.36% in debt securities and 81.64% in equity securities.

As at 30 June 2014 £6,030,566 of investments were subject to stock lending agreements and the Fund held £6,720,570 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £39,639 (30/06/14: £89,135) and £7,928 (30/06/14: £17,827).

15 Shareholders' funds

The Fund currently has seven share classes; Sterling Income Shares, Euro Accumulation Shares, Exempt Shares 1 (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Euro Accumulation Shares	2.00%	0.10%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 234. The distribution is given in the distribution statement on page 240. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON EMERGING INCOME FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£170.13m
Comparative Index:	FTSE AW Emerging TR GBP
Sector:	The Investment Association Global Emerging Markets
Yield as at 30 June 2015:	
Sterling Income Shares	4.94%
Sterling Accumulation Shares	4.87%
X Shares (Net Income)	4.89%
X Shares (Net Accumulation)	0.00%
Institutional Shares W (Net Income)	4.91%
Institutional Shares W (Net Accumulation)	4.84%
Institutional Shares (Net Income)	4.92%
Institutional Shares (Net Accumulation)	4.85%
Retail Advised Shares B (Net Income)	4.92%
Retail Advised Shares B (Net Accumulation)	4.86%
Key Dates: Fund Launch	04 October 2012

Investment Objective

The objective of the Fund is to achieve income together with long-term capital growth predominantly through investments in a diversified portfolio of securities in global emerging markets.

Statutory Performance Data

From To	30/06/2014 30/06/2015	30/06/2013 30/06/2014	30/06/2012 30/06/2013	30/06/2011 30/06/2012	30/06/2010 30/06/2011
Sterling Income Shares*	-4.66%	-6.78%	n/a	n/a	n/a
Sterling Accumulation Shares*	-4.67%	-6.77%	n/a	n/a	n/a
X Shares (Net Income)*	-3.25%	-5.29%	n/a	n/a	n/a
X Shares (Net Accumulation)**	n/a	-5.29%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	-3.89%	-6.00%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-3.91%	-6.00%	n/a	n/a	n/a
Institutional Shares (Net Income)*	-4.13%	-6.20%	n/a	n/a	n/a
Institutional Shares (Net Accumulation)*	-4.13%	-6.24%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-4.19%	-6.30%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-4.20%	-6.29%	n/a	n/a	n/a
FTSE AW Emerging TR GBP	6.73%	1.20%	7.16%	-13.62%	17.50%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

**Share class last priced 5 June 2015. As at 30 June 2015 there are no shares in issues in this share class.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period, the Sterling Income Share Class of the Fund returned -4.66% compared with a return of 6.73% from the FTSE All-World Emerging TR GBP.

The Fund generated a negative return during the review period, underperforming its comparative index. The biggest detractors were the Macau casino stocks Sands China and Wynn Macau, which have been under pressure from lacklustre visitor numbers as the Chinese government continues its anti-corruption drive. However, at the end of the period, the Macau government relaxed the transit visa rule. Accordingly, the manager believes the sector will see stronger cash generation. The largest positive stock-level contributions came from Globe Telecom in the Philippines and events organiser Pico Far East Holdings in Hong Kong. Not holding Petrobras, the scandal-beset Brazilian petrochemical company, was a positive.

The underweight asset allocations to Brazil and Russia were the most positive country contributors but were outweighed by the underweight position to the Chinese market, which experienced a significant rally which appeared to come to a crashing halt in June. This factor alone accounts for the majority of the Fund's underperformance. However, the manager believes the correction seen in that stock market since its peak validates the underweight position to the Chinese market, and prudently retains only long-term, high-conviction holdings there.

The oil & gas sector was a bright spot. The financials sector was by far the biggest drag, largely due to the Fund's not holding Chinese banks, which the manager does not believe to be financially sound.

During the period, the manager added new positions in Galp, a Portuguese oil company that has reserves off Brazil and less risk of government intervention than its peers, Man Wah, a Hong Kong-listed manufacturer of sofas and soft furnishings that is enjoying good sales in mainland China and the US, and Merida, a Taiwanese manufacturer of high-end bicycles that is profiting from the rise of the hobby cyclist in developed countries. The manager sold the holdings in Biostime (a Chinese producer of infant formula), ILC (a Chilean pension-fund manager), Millicom (a Swedish-listed telecoms operator with significant exposure to Latin American and African markets), and Lafarge Malaysia (a producer of building materials). The size of positions were increased in British American Tobacco, TBC (a Georgian bank), and Taesa (a Brazilian utility firm). Holdings were reduced in Philippine Long Distance Telephone Company, Ambev (a Brazilian brewer) and Bangkok Expressway (a Thai toll-road operator).

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

Purchases	Sales
Bank of Georgia	Petrochina
Merida Industry	Philippine Long Distance Telephone
Galp Energia	Inversiones La Construccion
Man Wah	Millicom International Cellular
Fibra Shop	Lafarge Malaysia Berhad
Delta Electronics	Komercni Banka
MediaTek	MTN
MTN	Pico Far East
PetroChina	Bangkok Expressway
Komercni Banka	Standard Chartered

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2012 (from 4 October)	107.21	99.39	0.9140
2013	119.32	94.07	4.2874
2014	101.83	86.44	4.1684
2015	96.76	85.53	2.2756
Sterling Accumulation Shares	Pence	Pence	Pence
2012 (from 4 October)	107.21	99.39	0.9173
2013	120.66	98.18	4.3897
2014	109.75	92.12	4.4543
2015	107.60	95.10	2.5185
X Shares (Net Income)	Pence	Pence	Pence
2012 (from 4 October)	107.60	99.43	0.9065
2013	120.14	95.90	4.3596
2014	104.92	89.43	4.2838
2015	100.59	89.20	2.3581
X Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 October)	107.59	99.43	0.8969
2013	121.84	100.07	4.4641
2014	113.07	94.06	4.5706
2015 (to 5 June)	111.83	101.57	1.1580
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 October)	107.42	99.41	0.9268
2013	119.74	95.02	4.3130
2014	103.45	88.02	4.2207
2015	98.78	87.47	2.3195
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 15 October)	107.38	100.50	0.7577
2013	121.25	99.13	4.4133
2014	111.45	93.10	4.5041
2015	109.79	97.20	2.5618
Institutional Shares (Net Income)	Pence	Pence	Pence
2012 (from 15 October)	107.32	100.50	0.7563
2013	119.76	94.83	4.4019
2014	103.02	87.59	4.2133
2015	98.23	86.93	2.3064
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 15 October)	107.34	100.50	0.7860
2013	121.08	98.85	4.4168
2014	110.93	92.81	4.5001
2015	109.12	96.57	2.5507
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 23 October)	105.60	98.92	0.6693
2013	117.90	93.32	4.2491
2014	101.38	86.18	4.1322
2015	96.62	85.50	2.2696

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 23 October)	105.62	98.92	0.7005
2013	119.10	97.20	4.3294
2014	109.03	91.25	4.4059
2015	107.21	94.86	2.5098

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	50,781,358	104.75	48,477,499
30/06/2014	33,175,368	92.16	35,997,170
30/06/2015	20,855,955	84.22	24,764,646
Sterling Accumulation Shares		Pence	
30/06/2013	115,425,036	107.77	107,101,382
30/06/2014	72,561,860	99.33	73,051,903
30/06/2015	45,499,781	95.06	47,864,950
X Shares (Net Income)		Pence	
30/06/2013	12,042,869	105.96	11,365,597
30/06/2014	8,638,733	94.70	9,122,410
30/06/2015	3,093,620	87.85	3,521,396
X Shares (Net Accumulation)*		Pence	
30/06/2013	40,560,524	109.01	37,209,048
30/06/2014	24,225,246	102.06	23,736,749
30/06/2015	0.00	0.00	0.00
Institutional Shares W (Net Income)		Pence	
30/06/2013	26,736,948	105.38	25,373,131
30/06/2014	44,015,526	93.48	47,083,962
30/06/2015	39,013,993	86.13	45,295,960
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	5,276,629	108.39	4,868,088
30/06/2014	40,314,136	100.71	40,027,993
30/06/2015	60,893,450	97.15	62,677,069
Institutional Shares (Net Income)		Pence	
30/06/2013	622,394	105.31	591,022
30/06/2014	325,179	93.14	349,129
30/06/2015	310,367	85.60	362,575
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	195,369	108.21	180,544
30/06/2014	319,111	100.30	318,172
30/06/2015	241,182	96.53	249,862

*Share class last priced 5 June 2015. As at 30 June 2015 there are no shares in issues in this share class.

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	52,017	103.66	50,178
30/06/2014	64,757	91.67	70,641
30/06/2015	38,494	84.19	45,723
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	70,077	106.44	65,838
30/06/2014	209,246	98.59	212,239
30/06/2015	178,504	94.82	188,255

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.71	1.70
Sterling Accumulation Shares	1.71	1.70
X Shares (Net Income)	0.13	0.13
X Shares (Net Accumulation)*	0.12	0.13
Institutional Shares W (Net Income)	0.89	0.88
Institutional Shares W (Net Accumulation)	0.89	0.88
Institutional Shares (Net Income)	1.14	1.13
Institutional Shares (Net Accumulation)	1.14	1.13
Retail Advised Shares B (Net Income)	1.21	1.20
Retail Advised Shares B (Net Accumulation)	1.20	1.20

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*Share class last priced 5 June 2015. As at 30 June 2015 there are no shares in issues in this share class.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom - 9.35% (1.69%)			
Bank of Georgia	255,000	4,962,300	2.92
British American Tobacco	173,700	5,971,246	3.51
Old Mutual	2,452,961	4,972,987	2.92
United States of America - 1.15% (0.00%)			
TBC Bank GDR(representing 1 ordinary share each)	300,000	1,964,774	1.15
Chile - 2.14% (3.19%)			
Aguas Andinas	10,200,000	3,640,724	2.14
Brazil - 7.77% (8.79%)			
Alupar Investmimento	920,000	3,088,354	1.82
Ambev ADR (each representing 1 ordinary share)	715,000	2,768,710	1.63
CCR	818,000	2,496,470	1.47
Transmissora Alianca de Energia Eletrica	1,152,000	4,852,810	2.85
Mexico - 11.54% (10.80%)			
Fibra Shop	7,155,000	5,039,335	2.96
Fibra Uno Administracion	2,673,636	4,040,252	2.38
Grupo Financiero Santander (Sponsered ADR representing 5 ordinary shares each)	410,000	2,387,995	1.40
Kimberly Clark de Mexico	5,945,044	8,164,704	4.80
Australia - 0.09% (0.00%)			
South32	173,500	149,423	0.09
China - 1.19% (5.79%)			
China Shenhua Energy	1,400,000	2,023,219	1.19
Hong Kong - 13.28% (13.64%)			
Hui Xian	12,200,000	4,340,902	2.55
Link Real Estate Investment Trust	908,500	3,375,454	1.98
Man Wah	6,130,000	3,816,025	2.24
NWS	3,060,000	2,825,978	1.66
Pico Far East	9,136,000	1,843,318	1.08
Sands China	1,738,000	3,706,228	2.18
Wynn Macau	2,554,800	2,698,869	1.59
Indonesia - 0.85% (1.08%)			
Telekomunikasi Indonesia Class 'B' Shares	10,393,789	1,449,914	0.85
Malaysia - 6.81% (7.81%)			
Axiata	1,635,000	1,757,946	1.04
IGB Real Estate Investment Trust	15,283,300	3,425,594	2.01
Pavilion Real Estate	11,337,300	2,827,733	1.66
Sunway Real Estate	13,779,000	3,576,066	2.10
Philippines - 6.73% (6.03%)			
Globe Telecom	205,000	7,227,160	4.25
Philippine Long Distance Telephone	106,985	4,221,283	2.48
Taiwan - 14.90% (9.96%)			
Delta Electronics	920,000	2,986,096	1.76
MediaTek	715,000	6,218,045	3.65
Merida Industry	1,020,000	4,193,517	2.46
Taiwan Cellular	1,649,000	3,483,212	2.05
Taiwan Semiconductor Manufacturing	2,938,000	8,476,473	4.98

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Thailand - 9.60% (8.30%)			
Bangkok Bank	1,164,900	3,903,563	2.29
Bangkok Expressway	2,825,800	2,101,315	1.24
BTS Rail Mass Transit	10,200,000	1,958,632	1.15
Intouch (non-voting Depository Receipts)	3,475,027	5,086,407	2.99
Tesco Lotus Retail Growth Freehold & Leasehold Property	13,000,000	3,279,448	1.93
South Africa - 6.15% (12.86%)			
BHP Billiton	137,173	1,729,156	1.02
Life Healthcare	2,555,000	5,023,254	2.95
MTN	310,000	3,702,809	2.18
Czech Republic - 3.53% (3.79%)			
Komerční Banka	43,000	6,007,961	3.53
Poland - 3.08% (2.66%)			
Powszechny Zakład Ubezpieczeń	71,545	5,233,304	3.08
Portugal - 0.76% (0.00%)			
Galp Energia	173,700	1,294,597	0.76
Portfolio of investments		168,293,562	98.92
Net current assets		1,831,784	1.08
Total Net Assets		170,125,346	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Sweden portfolio category, which, at 30 June 2014, represented 1.79% of the Total Net Assets of the Fund.

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

ADR = American Depositary Receipt

GDR = Global Depositary Receipt

SDR = Swedish Depositary Receipt

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital losses	1		(13,914,216)		(26,847,522)
Revenue	2	10,808,947		11,315,801	
Expenses	3	(2,458,800)		(2,839,312)	
Finance costs: Interest	5	(39)		-	
Net revenue before taxation		8,350,108		8,476,489	
Taxation	4	(925,086)		(908,927)	
Net revenue after taxation			7,425,022		7,567,562
Total return before distributions			(6,489,194)		(19,279,960)
Finance costs: Distributions	5		(9,595,078)		(10,410,104)
Change in net assets attributable to Shareholders from investment activities			(16,084,272)		(29,690,064)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		223,849,162		251,763,221
Amounts receivable on issue of shares	37,278,739		64,403,353	
Amounts payable on cancellation of shares	(80,730,081)		(69,260,399)	
		(43,451,342)		(4,857,046)
Dilution adjustment		80,220		130,057
Change in net assets attributable to Shareholders from investment activities (see above)		(16,084,272)		(29,690,064)
Retained distributions on accumulation shares		5,731,578		6,502,994
Closing net assets attributable to Shareholders		170,125,346		223,849,162

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			168,293,562		219,764,558
Debtors	7	1,238,774		1,594,619	
Cash and bank balances	8	<u>2,411,750</u>		<u>4,408,346</u>	
Total other assets			<u>3,650,524</u>		<u>6,002,965</u>
Total assets			171,944,086		225,767,523
LIABILITIES					
Creditors	9	(865,302)		(652,456)	
Distribution payable on income shares		<u>(953,438)</u>		<u>(1,265,905)</u>	
Total other liabilities			<u>(1,818,740)</u>		<u>(1,918,361)</u>
Total liabilities			(1,818,740)		(1,918,361)
Net assets attributable to Shareholders			<u>170,125,346</u>		<u>223,849,162</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	1.4118	0.1412	1.2706	0.0000	1.2706	1.3636
Group 2	0.8810	0.0881	0.7929	0.4777	1.2706	1.3636
Sterling Accumulation Shares						
Group 1	1.5698	0.1570	1.4128	0.0000	1.4128	1.4467
Group 2	1.0117	0.1012	0.9105	0.5023	1.4128	1.4467
X Shares (Net Income)						
Group 1	1.4621	0.1462	1.3159	0.0000	1.3159	1.3902
Group 2	0.6626	0.0663	0.5963	0.7196	1.3159	1.3902
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	1.4754
Group 2	n/a	n/a	n/a	n/a	n/a	1.4754
Institutional Shares W (Net Income)						
Group 1	1.4403	0.1440	1.2963	0.0000	1.2963	1.3646
Group 2	0.8273	0.0827	0.7446	0.5517	1.2963	1.3646
Institutional Shares W (Net Accumulation)						
Group 1	1.5974	0.1597	1.4377	0.0000	1.4377	1.4430
Group 2	0.9752	0.0975	0.8777	0.5600	1.4377	1.4430
Institutional Shares (Net Income)						
Group 1	1.4314	0.1431	1.2883	0.0000	1.2883	1.3661
Group 2	0.6402	0.0640	0.5762	0.7121	1.2883	1.3661
Institutional Shares (Net Accumulation)						
Group 1	1.5904	0.1590	1.4314	0.0000	1.4314	1.4502
Group 2	1.2248	0.1225	1.1023	0.3291	1.4314	1.4502
Retail Advised Shares B (Net Income)						
Group 1	1.4090	0.1409	1.2681	0.0000	1.2681	1.3457
Group 2	1.4090	0.1409	1.2681	0.0000	1.2681	1.3457
Retail Advised Shares B (Net Accumulation)						
Group 1	1.5641	0.1564	1.4077	0.0000	1.4077	1.4223
Group 2	0.6310	0.0631	0.5679	0.8398	1.4077	1.4223

* As at 30 June 2015 there are no shares in issue in this share class.

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	1.1167	0.1117	1.0050	0.0000	1.0050	0.9001
Group 2	0.7641	0.0764	0.6877	0.3173	1.0050	0.9001
Sterling Accumulation Shares						
Group 1	1.2286	0.1229	1.1057	0.0000	1.1057	0.9467
Group 2	0.9012	0.0901	0.8111	0.2946	1.1057	0.9467
X Shares (Net Income)						
Group 1	1.1580	0.1158	1.0422	0.0000	1.0422	0.9361
Group 2	1.0330	0.1033	0.9297	0.1125	1.0422	0.9361
X Shares (Net Accumulation)						
Group 1	1.2867	0.1287	1.1580	0.0000	1.1580	0.9844
Group 2	1.2867	0.1287	1.1580	0.0000	1.1580	0.9844
Institutional Shares W (Net Income)						
Group 1	1.1369	0.1137	1.0232	0.0000	1.0232	0.9264
Group 2	0.7489	0.0749	0.6740	0.3492	1.0232	0.9264
Institutional Shares W (Net Accumulation)						
Group 1	1.2490	0.1249	1.1241	0.0000	1.1241	0.9740
Group 2	0.7907	0.0791	0.7116	0.4125	1.1241	0.9740
Institutional Shares (Net Income)						
Group 1	1.1312	0.1131	1.0181	0.0000	1.0181	0.9242
Group 2	0.5353	0.0535	0.4818	0.5363	1.0181	0.9242
Institutional Shares (Net Accumulation)						
Group 1	1.2437	0.1244	1.1193	0.0000	1.1193	0.9710
Group 2	1.0310	0.1031	0.9279	0.1914	1.1193	0.9710
Retail Advised Shares B (Net Income)						
Group 1	1.1128	0.1113	1.0015	0.0000	1.0015	0.8939
Group 2	1.1128	0.1113	1.0015	0.0000	1.0015	0.8939
Retail Advised Shares B (Net Accumulation)						
Group 1	1.2246	0.1225	1.1021	0.0000	1.1021	0.9397
Group 2	1.2246	0.1225	1.1021	0.0000	1.1021	0.9397

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.5517	0.0552	0.4965	0.0000	0.4965	0.7310
Group 2	0.2191	0.0219	0.1972	0.2993	0.4965	0.7310
Sterling Accumulation Shares						
Group 1	0.6036	0.0604	0.5432	0.0000	0.5432	0.7655
Group 2	0.3363	0.0336	0.3027	0.2405	0.5432	0.7655
X Shares (Net Income)						
Group 1	0.5656	0.0566	0.5090	0.0000	0.5090	0.7503
Group 2	0.3683	0.0368	0.3315	0.1775	0.5090	0.7503
X Shares (Net Accumulation)						
Group 1	0.6180	0.0618	0.5562	0.0000	0.5562	0.7830
Group 2	0.6180	0.0618	0.5562	0.0000	0.5562	0.7830
Institutional Shares W (Net Income)						
Group 1	0.5581	0.0558	0.5023	0.0000	0.5023	0.7401
Group 2	0.2741	0.0274	0.2467	0.2556	0.5023	0.7401
Institutional Shares W (Net Accumulation)						
Group 1	0.6103	0.0610	0.5493	0.0000	0.5493	0.7790
Group 2	0.2957	0.0296	0.2661	0.2832	0.5493	0.7790
Institutional Shares (Net Income)						
Group 1	0.5566	0.0557	0.5009	0.0000	0.5009	0.8142
Group 2	0.1666	0.0167	0.1499	0.3510	0.5009	0.8142
Institutional Shares (Net Accumulation)						
Group 1	0.6083	0.0608	0.5475	0.0000	0.5475	0.7655
Group 2	0.4643	0.0464	0.4179	0.1296	0.5475	0.7655
Retail Advised Shares B (Net Income)						
Group 1	0.5478	0.0548	0.4930	0.0000	0.4930	0.7266
Group 2	0.5478	0.0548	0.4930	0.0000	0.4930	0.7266
Retail Advised Shares B (Net Accumulation)						
Group 1	0.5981	0.0598	0.5383	0.0000	0.5383	0.7567
Group 2	0.3043	0.0304	0.2739	0.2644	0.5383	0.7567

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	1.5647	0.1565	1.4082	0.0000	1.4082	1.3995
Group 2	0.8760	0.0876	0.7884	0.6198	1.4082	1.3995
Sterling Accumulation Shares						
Group 1	1.6863	0.1686	1.5177	0.0000	1.5177	1.4401
Group 2	0.9967	0.0997	0.8970	0.6207	1.5177	1.4401
X Shares (Net Income)						
Group 1	1.6094	0.1609	1.4485	0.0000	1.4485	1.4156
Group 2	1.0823	0.1082	0.9741	0.4744	1.4485	1.4156
X Shares (Net Accumulation)						
Group 1	1.7273	0.1727	1.5546	0.0000	1.5546	1.4585
Group 2	0.8004	0.0800	0.7204	0.8342	1.5546	1.4585
Institutional Shares W (Net Income)						
Group 1	1.5860	0.1586	1.4274	0.0000	1.4274	1.4030
Group 2	0.9354	0.0935	0.8419	0.5855	1.4274	1.4030
Institutional Shares W (Net Accumulation)						
Group 1	1.7087	0.1709	1.5378	0.0000	1.5378	1.4378
Group 2	0.9780	0.0978	0.8802	0.6576	1.5378	1.4378
Institutional Shares (Net Income)						
Group 1	1.5801	0.1580	1.4221	0.0000	1.4221	1.4056
Group 2	1.2213	0.1221	1.0992	0.3229	1.4221	1.4056
Institutional Shares (Net Accumulation)						
Group 1	1.7016	0.1702	1.5314	0.0000	1.5314	1.4474
Group 2	1.0632	0.1063	0.9569	0.5745	1.5314	1.4474
Retail Advised Shares B (Net Income)						
Group 1	1.5551	0.1555	1.3996	0.0000	1.3996	1.3848
Group 2	1.5551	0.1555	1.3996	0.0000	1.3996	1.3848
Retail Advised Shares B (Net Accumulation)						
Group 1	1.6729	0.1673	1.5056	0.0000	1.5056	1.4212
Group 2	1.1173	0.1117	1.0056	0.5000	1.5056	1.4212

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital losses

The net capital losses on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Losses on non-derivative securities	(13,760,987)	(26,804,489)
Currency exchange losses	(99,889)	(29,754)
Activity charges	(53,340)	(13,279)
Net capital losses	(13,914,216)	(26,847,522)

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	542	11,207
Overseas dividends	10,632,200	11,284,837
Stock lending	17,673	19,757
Stock dividends	6,011	-
UK dividends	152,521	-
Total revenue	10,808,947	11,315,801

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	2,150,229	2,460,363
Administration fees	130,047	168,199
Collection charges	3,350	6,352
Registrar's disbursement fees	5,168	14,452
Safe custody charges	133,481	148,622
	2,422,275	2,797,988
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	27,602	28,258
Distribution reconciliation service	134	197
	27,736	28,455
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	8,434	9,120
- Non-audit services (tax compliance fee)†	78	3,462
Financial Conduct Authority fee	277	287
	8,789	12,869
Total expenses	2,458,800	2,839,312

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £7,700 (2014: £7,600) and £nil (2014: £2,885) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in period:		
Income tax expense	-	105,344
	<u>-</u>	<u>105,344</u>
Overseas tax withheld	925,086	803,583
Total current tax charge (see note 4b)	<u>925,086</u>	<u>908,927</u>

b) Factors affecting the tax charge for the period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014:20%).

The differences are explained below:

Net revenue before taxation	<u>8,350,108</u>	<u>8,476,489</u>
Corporation tax @ 20%	1,670,022	1,695,298
Effects of:		
Dividends not subject to corporation tax	(1,753,307)	(2,170,928)
Excess management expenses	83,285	475,630
Franked Investment income @ 20%	-	105,344
Overseas tax withheld	925,086	803,583
Total current tax charge (see note 4a)	<u>925,086</u>	<u>908,927</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £4,296,400 (30/06/14: £3,879,975), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £859,280 (30/06/14: £775,995).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 30 September - Sterling Income Shares	471,481	656,043
Interim dividend 30 September - Sterling Accumulation Shares	1,018,356	1,451,817
Interim dividend 30 September - X Shares (Net Income)	142,821	180,246
Interim dividend 30 September - X Shares (Net Accumulation)	338,153	537,496
Interim dividend 30 September - Institutional Shares W (Net Income)	762,101	433,563
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	739,190	128,675
Interim dividend 30 September - Institutional Shares (Net Income)	5,588	9,122
Interim dividend 30 September - Institutional Shares (Net Accumulation)	4,307	2,654
Interim dividend 30 September - Retail Advised Shares B (Net Income)	682	638
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	3,644	1,433
Interim dividend 31 December - Sterling Income Shares	158,775	351,967
Interim dividend 31 December - Sterling Accumulation Shares	342,133	754,660
Interim dividend 31 December - X Shares (Net Income)	54,069	85,485
Interim dividend 31 December - X Shares (Net Accumulation)	103,538	259,181
Interim dividend 31 December - Institutional Shares W (Net Income)	241,116	237,117
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	289,522	77,479
Interim dividend 31 December - Institutional Shares (Net Income)	1,930	2,060

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Institutional Shares (Net Accumulation)	1,544	1,562
Interim dividend 31 December - Retail Advised Shares B (Net Income)	225	357
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	1,316	762
Interim dividend 31 March - Sterling Income Shares	274,886	401,766
Interim dividend 31 March - Sterling Accumulation Shares	597,856	871,596
Interim dividend 31 March - X Shares (Net Income)	99,329	103,507
Interim dividend 31 March - X Shares (Net Accumulation)	53,207	260,453
Interim dividend 31 March - Institutional Shares W (Net Income)	477,383	311,684
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	650,334	158,640
Interim dividend 31 March - Institutional Shares (Net Income)	3,875	2,683
Interim dividend 31 March - Institutional Shares (Net Accumulation)	2,914	2,688
Interim dividend 31 March - Retail Advised Shares B (Net Income)	458	664
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	1,989	1,607
Final dividend 30 June - Sterling Income Shares	314,656	490,857
Final dividend 30 June - Sterling Accumulation Shares	676,241	1,056,842
Final dividend 30 June - X Shares (Net Income)	46,338	126,820
Final dividend 30 June - X Shares (Net Accumulation)	-	350,212
Final dividend 30 June - Institutional Shares W (Net Income)	587,193	642,508
Final dividend 30 June - Institutional Shares W (Net Accumulation)	901,107	577,604
Final dividend 30 June - Institutional Shares (Net Income)	4,671	4,769
Final dividend 30 June - Institutional Shares (Net Accumulation)	3,577	4,614
Final dividend 30 June - Retail Advised Shares B (Net Income)	580	951
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	2,650	3,019
	9,379,735	10,545,801
Amounts added on issue of shares	(164,880)	(431,229)
Amounts deducted on cancellation of shares	380,223	295,532
Net distributions for the year	9,595,078	10,410,104
Interest	39	-
Total finance costs	9,595,117	10,410,104

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	7,425,022	7,567,562
Capitalised fees less tax relief paid from capital	2,170,435	2,839,312
Equalisation on conversions	(488)	3,209
Undistributed revenue brought forward	109	130
Undistributed revenue carried forward	-	(109)
	9,595,078	10,410,104

Notes to the Financial Statements (continued)

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	912,217	458,068
Amount receivable for issue of shares	57,825	573,124
Overseas tax recoverable	7,198	-
Sales awaiting settlement	261,534	563,427
	1,238,774	1,594,619

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	619,118	2,785,852
Cash held in BNY Mellon Sterling Liquidity Fund	1,792,632	1,622,494
	2,411,750	4,408,346

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	207,808	251,481
Amount payable for cancellation of shares	657,494	119,935
Purchases awaiting settlement	-	281,040
	865,302	652,456

10 Related party transactions

ACD's periodic charge, collection charges, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3, and 5, details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from ACD at 30 June 2015 in respect of these transactions was £797,887 (30/06/14: £214,353).

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative Risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Foreign currency risk**

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	4,962,300	52,707	5,015,007	5,465,416
Brazil	10,437,634	-	10,437,634	13,914,952
Chile	3,640,724	-	3,640,724	7,140,755
China	4,340,902	95,608	4,436,510	4,104,766
Czech Republic	6,007,961	-	6,007,961	8,475,790
Europe	1,294,597	7,189	1,301,786	-
Hong Kong	20,289,092	212,053	20,501,145	39,544,684
Indonesia	1,449,914	-	1,449,914	2,422,266
Malaysia	11,587,339	54,125	11,641,464	17,532,640
Mexico	17,244,291	89,140	17,333,431	20,150,952
Poland	5,233,304	-	5,233,304	5,965,563
Philippines	11,448,443	9	11,448,452	13,495,553
South Africa	21,548,874	20	21,548,894	28,777,251
Sweden	-	-	-	4,005,574
Taiwan	25,357,343	1,069,932	26,427,275	22,504,946
Thailand	16,329,365	236,341	16,565,706	18,582,051
United States	7,121,479	14,660	7,136,139	11,766,003
Total	168,293,562	1,831,784	170,125,346	223,849,162

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	26,506,193	60,135,964
Commissions	31,579	95,023
Taxes	39,049	45,814
Total purchase costs	70,628	140,837
Gross purchases total	26,576,821	60,276,801
Analysis of total sales proceeds:		
Sales before transaction costs	64,365,036	56,257,217
Commissions	(101,337)	(115,114)
Taxes	(62,829)	(19,026)
Total sales costs	(164,166)	(134,140)
Total sales net of transaction costs	64,200,870	56,123,077

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015, £980,605 of investments were subject to stock lending agreements and the Fund held £1,092,382 in collateral. The collateral is held in equity securities.

As at 30 June 2014, £1,444,240 of investments were subject to stock lending agreements and the Fund held £1,528,554 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £22,091 (30/06/14: £24,696) and £4,418 (30/06/14: £4,939).

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Sterling Accumulation Shares, X Shares (Net Income), X Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Institutional Shares (Net Income), Institutional Shares (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Sterling Accumulation Shares	1.50%	0.10%
X Shares (Net Income)	0.00%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Institutional Shares (Net Income)	1.00%	0.03%
Institutional Shares (Net Accumulation)	1.00%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 250 to 251. The distributions are given in the distribution statements on pages 256 to 259. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON EUROPEAN HIGHER INCOME FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£0m
Comparative Index:	FTSE World Europe ex UK TR GBP
Sector:	The Investment Association Europe Excluding UK

Key Dates:	Fund Launch	30 January 2007
	Fund Closure	13 December 2013

Investment Objective

The objective of the Fund was to achieve income together with long-term capital growth predominantly through investments in European securities (excluding UK).

Statutory Performance Data

From	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	31/12/2013	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	7.34%	26.02%	-17.21%	20.13%
Institutional Shares (Income)	7.61%	26.75%	-16.74%	20.81%
Institutional Shares (Accumulation)	7.67%	26.84%	-16.75%	20.79%
X Shares (Net Income)*	n/a	28.00%	-15.92%	n/a
Institutional Shares W (Net Income)*	7.74%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	7.78%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	7.60%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	7.60%	n/a	n/a	n/a
FTSE World Europe ex UK TR GBP	8.36%	27.85%	-20.03%	29.56%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Shareholders were given pre-notification of the closure of the Fund on 11 October 2013, a reminder on 8 November 2013, a final reminder on 22 November 2013 and the Fund closed on 13 December 2013.

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2009	91.25	65.44	4.1824
2010	89.69	72.00	4.2414
2011	88.58	61.01	3.9560
2012	74.42	62.66	3.5356
2013 (to 13 December)	88.87	74.18	3.3499
Institutional Shares (Income)	Pence	Pence	Pence
2009	92.52	66.15	4.2661
2010	91.16	73.26	4.3781
2011	90.51	62.53	4.0974
2012	76.68	64.38	3.6715
2013 (to 13 December)	91.96	76.44	3.4969
Institutional Shares (Accumulation)	Pence	Pence	Pence
2009	104.06	70.40	4.6083
2010	103.07	85.61	5.0399
2011	108.73	78.23	4.9618
2012	101.17	81.31	4.6613
2013 (to 13 December)	126.94	101.08	4.6905
X Shares (Net Income)**	Pence	Pence	Pence
2009 (from 2 April)	92.00	67.23	3.9333
2010 (to 28 April)	91.06	80.04	0.4680
2010 (from 12 November)	105.12	96.67	0.5762
2011	110.24	76.59	4.9842
2012	94.97	79.27	4.5148
2013 (to 30 October)	114.85	94.70	4.3552
**The X Shares (Net Income) share class was launched on 2 April 2009, closed on 28 April 2010 and re-opened on 12 November 2010 and closed again on 30 October 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 3 September)	110.11	99.49	0.4911
2013 (to 13 December)	132.32	109.76	4.9985
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 September)	110.37	99.49	0.4916
2013 (to 13 December)	138.74	110.28	5.1137
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 2 October)	106.26	97.03	0.2224
2013 (to 13 December)	127.44	105.94	4.8031
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 2 October)	106.26	97.03	0.2224
2013 (to 13 December)	133.20	106.16	4.8359
P Shares (Net Income)***	Pence	Pence	Pence
2012 (from 20 September)	106.04	96.82	0.4349
2013 (to 23 September)	122.59	105.70	4.4963

***P Shares (Net Income) share class closed 23 September 2013.

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares*		Pence	
30/06/2013	9,369,048	77.97	12,015,757
Institutional Shares (Income)*		Pence	
30/06/2013	1,884,773	80.54	2,340,121
Institutional Shares (Accumulation)*		Pence	
30/06/2013	66,730	110.87	60,188
X Shares (Net Income)**		Pence	
30/06/2013	10,889,296	100.25	10,861,738
**The X Shares (Net Income) share class closed on 30 October 2013.			
Institutional Shares W (Net Income)*		Pence	
30/06/2013	647,289	115.79	559,007
Institutional Shares W (Net Accumulation)*		Pence	
30/06/2013	15,612	121.06	12,896
Retail Advised Shares B (Net Income)*		Pence	
30/06/2013	5,632	111.62	5,046
Retail Advised Shares B (Net Accumulation)*		Pence	
30/06/2013	5,818	116.35	5,001
P Shares (Net Income)***		Pence	
30/06/2013	36,939	111.37	33,167

***P Shares (Net Income) share class closed 23 September 2013.

*Fund closed 13 December 2013.

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		378		3,513,476
Revenue	2	(2,010)		147,112	
Expenses	3	5,619		(99,566)	
Finance costs: Interest	5	-		-	
Net revenue before taxation		3,609		47,546	
Taxation	4	20,552		(2,293)	
Net revenue after taxation			24,161		45,253
Total return before distributions			24,539		3,558,729
Finance costs: Distributions	5		-		(110,348)
Change in net assets attributable to Shareholders from investment activities			24,539		3,448,381

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		-		22,921,137
Amounts receivable on issue of shares	-		12,296,175	
Amounts payable on cancellation of shares	-		(38,727,211)	
		-		(26,431,036)
Amounts payable to Shareholders at termination		(24,539)		(1,239)
Dilution adjustment		-		62,439
Change in net assets attributable to Shareholders from investment activities (see above)		24,539		3,448,381
Retained distributions on accumulation shares		-		318
Closing net assets attributable to Shareholders		-		-

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			-		-
Debtors	7	4,610		42,696	
Cash and bank balances	8	67,812		61,517	
Total other assets			72,422		104,213
Total assets			72,422		104,213
LIABILITIES					
Creditors	9	(72,422)		(104,213)	
Distribution payable on income shares		-		-	
Total other liabilities			(72,422)		(104,213)
Total liabilities			(72,422)		(104,213)
Net assets attributable to Shareholders			-		-

Distribution Statement

for the year ended 30 June 2015

As the fund closed on 13 December 2013, there are no distributions to report in the current year. Comparative data is shown below:

	Prior Period 30/09/2013
Sterling Income Shares	
Group 1	0.2237
Group 2	0.2237
Institutional Shares (Income)	
Group 1	0.2459
Group 2	0.2459
Institutional Shares (Accumulation)	
Group 1	0.3385
Group 2	0.3385
X Shares (Net Income)	
Group 1	0.3104
Group 2	0.3104
Institutional Shares W (Net Income)	
Group 1	0.3516
Group 2	0.3516
Institutional Shares W (Net Accumulation)	
Group 1	0.3763
Group 2	0.3763
Retail Advised Shares B (Net Income)	
Group 1	0.3370
Group 2	0.3370
Retail Advised Shares B (Net Accumulation)	
Group 1	0.3337
Group 2	0.3337
P Shares (Net Income)	
Group 1	0.0000
Group 2	0.0000

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	-	3,649,254
Currency exchange gains/(losses)	378	(120,868)
Activity charges	-	(14,910)
Net capital gains	378	3,513,476

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	-	6,023
Overseas dividends	(2,010)	140,956
Stock lending	-	133
Total revenue	(2,010)	147,112

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	-	76,176
Administration fees	-	6,369
Expense cap	-	(15,651)
Registrar's disbursement fees	-	31
Safe custody charges	15	1,819
	15	68,744
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	-	3,168
	-	3,168
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	(5,100)	5,760
- Non-audit services (tax compliance fee)†	(534)	2,532
Financial Conduct Authority fee	-	218
Expenses associated with making tax reclaims	-	19,144
	(5,634)	27,654
Total expenses	(5,619)	99,566

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £300 (2014: £300) and £nil (2014: £2,110) respectively. Audit fee of £5,400 was written off in the period.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Overseas tax withheld	-	20,718
Prior year adjustment	-	8,541
Repayment of French withholding tax	(20,552)	(26,966)
Total current tax charge (see note 4b)	(20,552)	2,293

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	3,609	47,546
Corporation tax @ 20%	722	9,509
Effects of:		
Dividends not subject to corporation tax	401	(28,191)
Excess management expenses	(1,123)	18,681
Repayment of French withholding tax	(20,552)	(26,966)
Overseas tax withheld	-	20,718
Prior year adjustment	-	8,542
Total current tax charge (see note 4a)	(20,552)	2,293

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £1,253,335 (30/06/14: £1,258,950), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £250,667 (30/06/14: £251,790).

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 30 September - Sterling Income Shares	-	27,250
Interim dividend 30 September - Institutional Shares (Income)	-	5,608
Interim dividend 30 September - Institutional Shares (Accumulation)	-	204
Interim dividend 30 September - X Shares (Net Income)	-	61,497
Interim dividend 30 September - Institutional Shares W (Net Income)	-	2,077
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	-	97
Interim dividend 30 September - Retail Advised Shares B (Net Income)	-	61
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	-	17
	-	96,811
Amounts added on issue of shares	-	(17,850)
Amounts deducted on cancellation of shares	-	31,387
Net distributions for the year	-	110,348
Interest	-	-
Total finance costs	-	110,348

Notes to the Financial Statements (continued)**6 Net movement between (expenses)/revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	24,161	45,253
ACD's periodic charge less tax relief paid from capital	-	76,176
Equalisation on conversions	-	11
Return of capital to shareholders brought forward	11,107	15
Return of capital to shareholders carried forward	(35,268)	(11,107)
	<u>-</u>	<u>110,348</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Overseas tax recoverable	4,610	42,696
	<u>4,610</u>	<u>42,696</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	67,812	61,517
	<u>67,812</u>	<u>61,517</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	300	8,292
Amount due to Shareholders at termination	24,539	1,239
Amount re-payable to ACD	39,042	86,141
Corporation tax payable	8,541	8,541
	<u>72,422</u>	<u>104,213</u>

Notes to the Financial Statements (continued)**10 Related party transactions**

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges, activity charges and expenses cap paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due at 30 June 2015 in respect of these transactions was nil (30/06/14: nil).

11 Financial instruments**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Liabilities	Total	Total
	£	£	£	£
United Kingdom	-	(23,725)	(23,725)	(42,697)
Europe	-	23,725	23,725	19,823
Switzerland	-	-	-	22,874
Total	-	-	-	-

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs		13,306,997
Commissions	-	4,503
Taxes	-	8,497
Total purchase costs	-	13,000
Gross purchases total	-	13,319,997
Analysis of total sales proceeds:		
Sales before transaction costs		38,897,223
Commissions	-	(9,817)
Taxes	-	(217)
Total sales costs	-	(10,034)
Total sales net of transaction costs	-	38,887,189

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 no investments were subject to stock lending agreements (30/06/14: nil).

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £nil (30/06/14: £166) and £nil (30/06/14: £33).

BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL BALANCED FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£435.06m
Comparative Index:	CAPS Pooled Fund Median (Net)
Sector:	The Investment Association Mixed Investment 40-85% Shares
Yield as at 30 June 2015:	
Exempt Shares 1 (Net Accumulation)	2.03%
Exempt Shares 2 (Net Accumulation)	1.93%
Key Dates: Fund Launch	23 September 1998
Converted to ICVC	02 August 2004

Investment Objective

The objective of the Fund is to maximize returns by investing predominantly in a worldwide portfolio of equities and fixed interest securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Exempt Shares 1 (Net Accumulation)	6.50%	8.08%	14.23%	-3.79%	15.80%
Exempt Shares 2 (Net Accumulation)	6.39%	7.99%	14.14%	-3.87%	15.71%
CAPS Pooled Fund Median (Net)	2.92%	8.56%	15.83%	-4.08%	19.29%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Exempt 1 Net Sterling Acc Share Class of the Fund returned 6.50% compared with 6.47% from the IA Mixed Investment 40-85% Shares.

The Fund generated a positive return and slightly outperformed its peer group over the 12-month period. At the stock level, top contributors included Dollar General, which rose strongly when the company joined the battle to take over rival Family Dollar, as investors welcomed the prospect of consolidation among discount retailers. Positioning within fixed income was detrimental, especially the holding in Norwegian government bonds, where the currency was affected by the falling price of oil given Norway's reliance on the commodity. The main disappointment among the equity holdings in the first three months of 2015 was Centrica, after its earnings outlook was lowered and dividend cut. However, holding life insurance AIA and not owning HSBC Holdings were positive for the Fund's relative performance at this time.

Although the Fund reduced exposure to US equities in the second half of 2014, the manager added new US holdings in Walgreen, a retail pharmacy chain whose merger with Boots provides opportunities to increase profits. Positions exited included eBay, on concerns over competition, and Standard Chartered, on increasing caution over the company's Asian operations. The manager bought a holding in National Grid, as its scope to grow its asset base in the years ahead should allow it to increase its earnings and dividends. And the manager reduced TeliaSonera, seeing better opportunities elsewhere in the telecoms sector, and Wood Group, as lower oil prices are expected to put pressure on oil-service providers.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
Treasury 1.75% Bonds 7/9/2022	US Treasury 4.375% Notes 15/11/2039
US Treasury 1.375% Notes 30/11/2018	US Treasury 1.375% Notes 30/11/2018
Treasury 1.25% Gilts 22/7/2018	Treasury 1.25% Gilts 22/7/2018
US Treasury 4.375% Notes 15/11/2039	New Zealand Government 6% Bonds 15/12/2017
Treasury 0.125% Index Linked Gilts 22/11/2019	Norway (Kingdom of) 3.75% Bonds 25/5/2021
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	Total
Treasury 4% Stock 7/9/2016	Deutsche Telekom
Reed Elsevier	Reed Elsevier
National Grid	Air Liquide
Next	Pirelli

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2011	276.34	242.14	7.2416
2012	279.59	252.27	7.4019
2013	316.92	277.00	7.3967
2014	340.67	306.05	7.2810
2015	365.84	336.96	4.5831
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	187.42	164.19	4.7713
2012	189.44	170.98	4.8715
2013	214.55	187.64	4.8428
2014	230.40	207.14	4.7274
2015	247.33	227.87	2.9804
X Shares (Net Accumulation)**	Pence	Pence	Pence
2011	283.08	248.29	8.4993
2012	287.85	259.32	8.7136
2013	327.67	285.45	8.8874
2014 (to 15 May)	335.90	316.77	N/A

**X Shares (Net Accumulation) share class closed 15 May 2014.

P Shares (Net Income)***	Pence	Pence	Pence
2012 (from 21 June)	106.66	98.45	0.8872
2013 (to 23 September)	119.37	104.70	1.5957

***P Shares (Net Income) share class closed 23 September 2013.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	479,959,593	298.07	161,022,273
30/06/2014	475,691,450	322.04	147,709,807
30/06/2015	416,176,081	341.56	121,846,394
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	21,645,347	201.84	10,724,161
30/06/2014	22,550,792	217.90	10,349,309
30/06/2015	18,881,374	230.87	8,178,410
X Shares (Net Accumulation)**		Pence	
30/06/2013	17,232,340	307.77	5,599,068
P Shares (Net Income)***		Pence	
30/06/2013	16,627	110.85	15,000

**X Shares (Net Accumulation) share class closed 15 May 2014.

***P Shares (Net Income) share class closed 23 September 2013.

Statistics (continued)**Ongoing Charges**

	30/06/2015	30/06/2014
Share Class	%	%
Exempt Shares 1 (Net Accumulation)	0.55	0.55
Exempt Shares 2 (Net Accumulation)	0.65	0.65

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 5.94% (0.00%)			
Treasury 0.125% Index Linked Gilts 22/11/2019	£7,467,029	8,216,116	1.89
Treasury 1.75% Bonds 7/9/2022	£11,008,545	10,955,429	2.52
Treasury 4% Stock 7/9/2016	£6,390,094	6,650,011	1.53
Overseas Government Bonds 6.25% (8.65%)			
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD 5,916,000	3,341,780	0.77
Australia (Commonwealth) 5.5% Bonds 21/4/2023	AUD 3,346,000	1,942,812	0.45
Norway (Kingdom of) 3.75% Bonds 25/5/2021	NOK 41,947,000	3,836,940	0.88
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 3,294,000	1,916,628	0.44
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD 6,535,900	7,786,077	1.79
US Treasury 4.375% Notes 15/11/2039	USD 10,714,700	8,350,101	1.92
Sterling Denominated Corporate Bonds 2.48% (2.68%)			
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£1,023,000	1,942,769	0.45
FirstGroup 8.75% Guaranteed Bonds 8/4/2021	£594,000	743,404	0.17
Imperial Tobacco Finance 8.125% Guaranteed European Medium Term Bonds 15/3/2024	£635,000	828,242	0.19
Juturna Euro Loan 5.0636% European Medium Term Notes 10/8/2033	£807,723	920,811	0.21
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£391,000	770,974	0.18
Tesco 1.9682% Index Linked Medium Term Notes 24/3/2036	£590,000	689,256	0.16
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£1,796,134	1,711,087	0.39
Thames Water Utilities 3.375% Notes 21/7/2021	£912,000	1,577,979	0.36
Transport for London 3.625% European Medium Term Notes 15/5/2045	£1,560,000	1,626,538	0.37
Non Sterling Denominated Corporate Bonds 0.19% (2.24%)			
Smiths 7.2% Guaranteed Senior Notes 15/5/2019	USD 1,143,000	836,785	0.19
United Kingdom 27.92% (27.11%)			
BAE Systems	386,434	1,743,590	0.40
Barclays	1,388,406	3,616,798	0.83
BHP Billiton	240,948	3,009,441	0.69
BP	1,060,161	4,453,736	1.02
British American Tobacco	204,997	6,999,623	1.61
Bunzl	185,050	3,216,169	0.74
Centrica	2,693,698	7,105,975	1.63
Cobham	1,344,502	3,536,040	0.81
CRH	255,984	4,571,874	1.05
Dixons Carphone	1,102,040	4,995,547	1.15
GlaxoSmithKline	820,655	10,853,162	2.50
Intermediate Capital	484,173	2,655,689	0.61
Johnson Matthey	70,759	2,149,658	0.49
Mitchells & Butlers	602,227	2,747,962	0.63
National Grid	529,054	4,323,429	0.99
Next	64,779	4,822,797	1.11
Prudential	359,249	5,505,491	1.27
Reed Elsevier	553,098	5,724,564	1.32
Royal Dutch Shell class 'B' shares	631,239	11,406,489	2.62
Smith & Nephew	443,851	4,766,960	1.10
Standard Life	681,475	3,025,749	0.70
Vodafone	4,772,606	10,969,835	2.52
Whitbread	74,506	3,684,322	0.85
Wolseley	137,364	5,581,099	1.28
Commodities 0.97% (1.08%)			
Source Physical Gold P-ETC	57,660	4,219,919	0.97

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Canada 0.70% (0.98%)			
Intact Financial	69,020	3,036,465	0.70
United States Of America 23.67% (18.06%)			
Abbott Laboratories	161,736	5,047,373	1.16
Accenture	88,985	5,474,781	1.26
Cerner	52,140	2,288,895	0.53
Citigroup	229,641	8,063,061	1.85
Dollar General	129,321	6,389,989	1.47
EMC	228,589	3,835,737	0.88
Emerson Electric	90,728	3,197,142	0.73
Equifax	85,576	5,280,823	1.21
Eversource Energy	111,800	3,227,392	0.74
Express Scripts	85,697	4,846,373	1.11
Intuit	64,149	4,109,909	0.94
Kraft Foods	43,125	2,334,898	0.54
Medtronic	139,377	6,565,173	1.51
Microsoft	198,293	5,566,628	1.28
Pfizer	158,645	3,380,298	0.78
PNC Financial Services	39,180	2,382,887	0.55
Principal Financial	140,889	4,592,084	1.06
Sprint	332,865	963,016	0.22
Sysco	194,676	4,466,147	1.03
TJX	144,683	6,086,493	1.40
TripAdvisor	60,240	3,337,772	0.77
Walgreens Boots Alliance	96,781	5,196,279	1.19
Walt Disney	87,393	6,339,841	1.46
Australia 0.84% (0.43%)			
Insurance Australia	1,263,343	3,445,144	0.79
South32	240,948	207,215	0.05
Hong Kong 1.20% (0.79%)			
AIA	1,258,000	5,215,679	1.20
Japan 3.47% (3.52%)			
LIXIL	173,700	2,192,422	0.50
Sawai Pharmaceutical	69,400	2,564,047	0.59
Softbank	120,900	4,523,303	1.04
Sugi	106,000	3,437,062	0.79
Toyota Motor	56,500	2,404,525	0.55
France 1.97% (4.78%)			
L'Oréal	18,476	2,094,339	0.48
Sanofi	103,821	6,490,375	1.49
Germany 5.07% (4.88%)			
Bayer (Regd.)	112,021	9,995,781	2.30
MTU Aero Engines	62,461	3,747,217	0.86
SAP	104,883	4,661,219	1.07
Telefonica Deutschland	992,246	3,642,102	0.84
Netherlands 1.37% (2.29%)			
Wolters Kluwer	315,276	5,951,491	1.37

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Norway 1.26% (0.93%)			
DNB	520,669	5,495,654	1.26
Sweden 1.37% (2.43%)			
Ericsson series 'B' shares	575,624	3,789,104	0.87
TeliaSonera	578,910	2,164,888	0.50
Switzerland 6.77% (5.85%)			
Nestlé	113,958	5,233,477	1.20
Novartis	170,459	10,687,030	2.46
Roche	48,495	8,644,503	1.99
Zurich Financial Services	25,180	4,873,935	1.12
Derivatives 0.09% (0.31%)			
AUD Forward Foreign Currency Contracts 0.09% (0.01%)			
AUD Forward Currency Contract 15/07/15	AUD (14,000,000)	(6,837,285)	(1.57)
AUD Forward Currency Contract 15/07/15	£7,228,873	7,228,873	1.66
Portfolio of investments		398,191,213	91.53
Net current assets		36,866,242	8.47
Total Net Assets		435,057,455	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in South Africa, Denmark, Ireland and Italy portfolio categories, which, at 30 June 2014, represented 0.49%, 0.81%, 0.64% and 0.75% respectively of the Total Net Assets of the Fund.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		20,240,863		28,236,654
Revenue	2	12,593,835		15,822,837	
Expenses	3	(2,620,733)		(2,816,728)	
Finance costs: Interest	5	(308)		-	
Net revenue before taxation		9,972,794		13,006,109	
Taxation	4	(467,759)		(573,795)	
Net revenue after taxation			9,505,035		12,432,314
Total return before distributions			29,745,898		40,668,968
Finance costs: Distributions	5		(9,505,124)		(12,432,361)
Change in net assets attributable to Shareholders from investment activities			20,240,774		28,236,607

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		498,242,242		518,853,907
Amounts receivable on issue of shares	7,386,476		11,663,297	
Amounts payable on cancellation of shares	(99,964,254)		(72,478,282)	
		(92,577,778)		(60,814,985)
Dilution adjustment		57,472		51,186
Stamp Duty Reserve Tax		-		(26,815)
Change in net assets attributable to Shareholders from investment activities (see above)		20,240,774		28,236,607
Retained distributions on accumulation shares		9,094,745		11,942,342
Closing net assets attributable to Shareholders		435,057,455		498,242,242

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			398,191,213		446,913,458
Debtors	7	1,937,671		4,852,183	
Cash and bank balances	8	<u>37,524,775</u>		<u>46,986,319</u>	
Total other assets			<u>39,462,446</u>		<u>51,838,502</u>
Total assets			437,653,659		498,751,960
LIABILITIES					
Creditors	9	(2,596,204)		(509,718)	
Distribution payable on income shares		<u>-</u>		<u>-</u>	
Total other liabilities			<u>(2,596,204)</u>		<u>(509,718)</u>
Total liabilities			(2,596,204)		(509,718)
Net assets attributable to Shareholders			<u>435,057,455</u>		<u>498,242,242</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
						Prior Period 30/06/2014
Exempt Shares 1 (Net Accumulation)						
Group 1	5.0923	0.5092	4.5831	0.0000	4.5831	4.9221
Group 2	2.9909	0.2991	2.6918	1.8913	4.5831	4.9221
Exempt Shares 2 (Net Accumulation)						
Group 1	3.3116	0.3312	2.9804	0.0000	2.9804	3.2455
Group 2	1.9742	0.1974	1.7768	1.2036	2.9804	3.2455

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
						Prior Period 31/12/2013
Exempt Shares 1 (Net Accumulation)						
Group 1	2.6210	0.2621	2.3589	0.0000	2.3589	2.5782
Group 2	1.3004	0.1300	1.1704	1.1885	2.3589	2.5782
Exempt Shares 2 (Net Accumulation)						
Group 1	1.6466	0.1647	1.4819	0.0000	1.4819	1.6609
Group 2	1.1592	0.1159	1.0433	0.4386	1.4819	1.6609

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	19,054,632	23,723,723
Gains on forward currency contracts	1,288,894	4,518,219
Currency exchange (losses)/gains	(83,155)	3,842
Activity charges	(19,508)	(9,130)
Net capital gains	20,240,863	28,236,654

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	143,560	123,903
Interest on debt securities	2,038,876	3,237,751
Overseas dividends	5,432,794	6,272,450
Stock lending	58,810	100,699
UK dividends	4,919,795	6,088,034
Total revenue	12,593,835	15,822,837

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	2,386,994	2,558,547
Administration fees	142,001	156,731
Collection charges	-	3,321
Registrar's disbursement fees	1,385	1,522
Safe custody charges	40,621	41,246
	2,571,001	2,761,367
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	42,941	45,114
	42,941	45,114
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,512	7,020
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	279	287
	6,791	10,247
Total expenses	2,620,733	2,816,728

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,600 (2014: £5,850) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	129,125
	<u>-</u>	<u>129,125</u>
Overseas tax withheld	467,759	445,561
Prior year adjustment	-	460
Repayment of French withholding tax	-	(1,351)
Total current tax charge (see note 4b)	<u>467,759</u>	<u>573,795</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>9,972,794</u>	<u>13,006,109</u>
Corporation tax @ 20%	1,994,559	2,601,222
Effects of:		
Dividends not subject to corporation tax	(2,070,518)	(2,472,097)
Double tax relief	-	-
Excess expenses for which no tax relief taken	75,959	-
Repayment of French withholding tax	-	(1,351)
Overseas tax withheld	467,759	445,561
Prior year adjustment	-	460
Total current tax charge (see note 4a)	<u>467,759</u>	<u>573,795</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £379,794 (30/06/14: Nil) as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £75,959 (30/06/14: Nil).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 31 December - Exempt Shares 1 (Net Accumulation)	3,141,881	3,976,346
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	124,816	174,623
Interim dividend 31 December - X Shares (Net Accumulation)	-	185,062
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	5,584,301	7,270,424
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	<u>243,747</u>	<u>335,887</u>
	<u>9,094,745</u>	<u>11,942,342</u>
Amounts added on issue of shares	(31,152)	(50,705)
Amounts deducted on cancellation of shares	441,531	540,724
Net distributions for the year	<u>9,505,124</u>	<u>12,432,361</u>
Interest	308	-
Total finance costs	<u>9,505,432</u>	<u>12,432,361</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	9,505,035	12,432,314
Undistributed revenue brought forward	89	136
Undistributed revenue carried forward	-	(89)
	<u>9,505,124</u>	<u>12,432,361</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	1,331,446	1,745,937
Amount receivable for issue of shares	199,818	333,163
Amounts receivable on open currency contracts	75,365	-
Overseas tax recoverable	331,042	502,803
Sales awaiting settlement	-	2,270,280
	<u>1,937,671</u>	<u>4,852,183</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	404,362	5,794,293
Cash held in BNY Mellon Sterling Liquidity Fund	37,120,413	41,192,026
	<u>37,524,775</u>	<u>46,986,319</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	225,990	246,684
Amount payable for cancellation of shares	99,595	105,361
Amounts payable on open currency contracts	75,291	-
Corporation tax payable	22	50,819
Purchases awaiting settlement	2,195,306	106,854
	<u>2,596,204</u>	<u>509,718</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges, activity charges and collection charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £118,008 (30/06/14: £2,263 due from the ACD).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	39,250,092	34,689,847	130,373,850	204,313,789	2.43	8.05
Australia	-	7,201,220	3,493,791	10,695,011	4.39	10.62
Canada	15,836	-	3,036,465	3,052,301		
Denmark	-	-	7,444	7,444		
Europe	-	-	36,601,018	36,601,018		
Hong Kong	-	-	5,215,679	5,215,679		
Japan	18,391	-	15,146,486	15,164,877		
Norway	-	3,836,940	5,532,927	9,369,867	3.31	5.91
Sweden	-	-	5,953,991	5,953,991		
Switzerland	157,008	-	29,590,420	29,747,428		
Taiwan	989	-	-	989		
United States of America	25,228	16,972,963	107,370,358	124,368,549	3.17	19.90
	39,467,544	62,700,970	342,322,429	444,490,943		
Liabilities						
United Kingdom	-	-	(2,520,913)	(2,520,913)		
Australia	-	-	(6,837,285)	(6,837,285)		
Canada	-	-	(31,672)	(31,672)		
Japan	-	-	(18,391)	(18,391)		
United States of America	-	-	(25,227)	(25,227)		
	-	-	(9,433,488)	(9,433,488)		
Total	39,467,544	62,700,970	332,888,941	435,057,455		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	52,164,991	8,248,477	206,816,648	267,230,116	6.25	18.18
Australia	-	8,558,007	2,226,513	10,784,520	5.16	11.57
Canada	-	-	4,909,057	4,909,057		
Denmark	-	-	4,056,230	4,056,230		
Europe	1,506,167	3,348,519	63,924,904	68,779,590	7.52	3.72
Hong Kong	-	-	3,918,854	3,918,854		
Japan	-	-	17,478,830	17,478,830		
New Zealand	-	7,641,593	17,666	7,659,259	6.00	3.00
Norway	-	11,990,747	4,668,538	16,659,285	3.75	7.00
South Africa	-	-	2,447,036	2,447,036		
Sweden	-	-	12,103,962	12,103,962		
Switzerland	-	814,733	29,652,923	30,467,656	7.00	3.00
Taiwan	940	-	-	940		
United States of America	1,239,264	19,117,571	95,578,408	115,935,243	4.84	22.73
	54,911,362	59,719,647	447,799,569	562,430,578		
Liabilities						
United Kingdom	-	-	(402,864)	(402,864)		
Australia	-	-	(7,728,103)	(7,728,103)		
Europe	-	-	(55,950,515)	(55,950,515)		
Switzerland	-	-	(106,854)	(106,854)		
	-	-	(64,188,336)	(64,188,336)		
Total	54,911,362	59,719,647	383,611,233	498,242,242		

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Royal Bank of Scotland plc London	391,588	391,588
	391,588	391,588

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Foreign currency risk**

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	165,534,704	36,258,172	201,792,876	266,827,251
Australia	3,809,078	48,648	3,857,726	3,056,417
Canada	3,036,465	(15,836)	3,020,629	4,909,057
Denmark	-	7,444	7,444	4,056,230
Europe	36,582,525	18,493	36,601,018	12,829,075
Hong Kong	5,215,679	-	5,215,679	3,918,854
Japan	15,121,358	25,128	15,146,486	17,478,830
New Zealand	-	-	-	7,659,259
Norway	9,332,594	37,273	9,369,867	16,659,285
South Africa	-	-	-	2,447,036
Sweden	5,953,991	-	5,953,991	12,103,962
Switzerland	29,438,945	308,483	29,747,428	30,360,803
Taiwan	-	989	989	940
United States of America	124,165,874	177,448	124,343,322	115,935,243
Total	398,191,213	36,866,242	435,057,455	498,242,242

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	131,938,656	118,075,871
Commissions	59,735	80,606
Taxes	149,341	214,186
Total purchase costs	209,076	294,792
Gross purchases total	132,147,732	118,370,663
Analysis of total sales proceeds:		
Sales before transaction costs	198,757,693	165,029,858
Commissions	(79,422)	(104,687)
Taxes	(1,211)	(4,839)
Total sales costs	(80,633)	(109,526)
Total sales net of transaction costs	198,677,060	164,920,332

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015, £29,033,734 of investments were subject to stock lending agreements and the Fund held £31,726,757 in collateral. The collateral is held 78.22% in equity and 21.78% in debt securities.

As at 30 June 2014, £18,365,679 of investments were subject to stock lending agreements and the Fund held £18,783,012 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £73,513 (30/06/14: £125,874) and £14,703 (30/06/14: £25,175).

15 Shareholders' funds

The Fund currently has two share classes; Exempt Shares 1 (Net Accumulation), and Exempt Shares 2 (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Exempt Shares 2 (Net Accumulation)	0.60%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 282. The distributions are given in the distribution statements on page 289. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL DYNAMIC BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,217.69m
Performance Reference:	(1 month GBP LIBOR) + 2%
Sector:	The Investment Association Targeted Absolute Return

Distribution Yield as at 30 June 2015:

Sterling Income Shares	2.50%
Exempt Shares 2 (Gross Accumulation)	2.57%
Institutional Shares (Income)	2.57%
X Shares (Net Accumulation)	2.57%
X Shares (Net Income)	2.57%
X Shares (Gross Accumulation)	2.57%
Institutional Shares W (Net Income)	2.57%
Institutional Shares W (Net Accumulation)	2.58%
Retail Advised Shares B (Net Income)	2.49%
Retail Advised Shares B (Net Accumulation)	2.50%
Exempt Shares 2 (Gross Income)	2.57%

Key Dates: Fund Launch 28 April 2006

Investment Objective

The objective of the Fund is to maximise the total return from income and capital growth from a globally diversified portfolio of predominantly higher yielding corporate and government fixed interest securities. The Fund is managed to seek a minimum return of cash (1 month GBP LIBOR) + 2% per annum over 5 years before fees. In so doing we aim to achieve a positive return on a rolling 3 year basis. However, a positive return is not guaranteed and a capital loss may occur.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	-0.66%	3.31%	5.05%	3.13%	6.17%
Exempt Shares 2 (Gross Accumulation)	0.84%	4.86%	6.90%	5.05%	8.47%
Institutional Shares (Income)	-0.10%	3.88%	5.63%	3.71%	6.77%
X Shares (Net Accumulation)	0.64%	4.67%	6.43%	4.49%	7.57%
X Shares (Net Income)*	0.64%	4.67%	6.43%	4.49%	n/a
X Shares (Gross Accumulation)*	1.25%	5.28%	7.33%	5.47%	n/a
P Shares (Net Income)*	n/a	3.62%	5.39%	n/a	n/a
Institutional Shares W (Net Income)*	0.03%	4.01%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	0.04%	4.01%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-0.26%	3.73%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-0.28%	3.73%	n/a	n/a	n/a
Exempt Shares 2 (Gross Income)*	0.84%	4.85%	n/a	n/a	n/a
(1 month GBP LIBOR) + 2%	2.51%	2.49%	2.51%	2.70%	2.59%

Source: Lipper as at 30 June 2015 – Sterling Income; Institutional Shares (Net Income); X Shares (Net Accumulation); X Shares (Net Income) – Total return including revenue net of UK tax and annual charges. Exempt Shares 2 (Gross Accumulation); X Shares (Gross Accumulation) – Total return including gross revenue and annual charges. All figures are in Sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned –0.66% against 0.51% for LIBOR GBP 1 Month.

Over the period, the Fund generated a negative return. Diversified bond positioning and positive duration exposure helped to generate positive returns through a period of declining yields and inflation expectations to the end of January, a sharp rise in bond yields through the spring latterly erased this positive performance. In the latter part of 2014 and early 2015, core government bonds generated positive returns and yield curves flattened. (The yield curve is the graphic depiction of the relationship between the yields on bonds of the same issuer but different maturities. It can be used as an indicator of future interest rates). Sterling investment-grade corporate bonds contributed positively, although high-yield corporate debt proved a notable drag on returns. (Investment grade is debt issued by companies that is rated BBB and above by the credit rating agency Standard & Poor's. High yield is debt issued by companies that is rated below BBB by Standard & Poor's).

Meanwhile, despite a widening of headline hard-currency emerging-market sovereign bond spreads, the Fund's selective developing-world government bond holdings made a positive contribution. Currency strategy was a further positive at this time, as a long US dollar net-currency exposure at the expense of short euro and Japanese yen positions proved beneficial as the dollar rallied. Moving into 2015, the first three months were productive: a preference for high-quality government and corporate debt benefited from the sharp decline in government yields in January. Then in February and March, reduced duration and increased exposure to 'risk' assets helped to protect the Fund from rising government bond yields. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). Performance tailed off in the latter part of the review period as markets became increasingly volatile – the Fund's positive duration (albeit reduced from 4 years in January to 2 years at the end of the review period) was unhelpful as bond yields rose. In addition to weakness in government and investment grade bond markets, the Fund's returns were affected by May's sell-off in high yield and emerging market bonds.

Activity in credit markets was relatively light late in 2014, although the Fund invested in new issues by GALP, Isolux, Net4Gas and Aurizon. Amid softer eurozone economic output, exposure to 'peripheral' European bonds was reduced, but euro duration remained positive owing to the ECB's balance sheet expansion. Currency strategy was shifted from a small US dollar overweight to a larger overweight position, in order to benefit from a strong US dollar. Given a continued US economic recovery and the prospect of rate hikes by the Federal Reserve, a short position in 5-year US Treasuries was retained. Into 2015, the most significant activity in the Fund involved regularly reducing its duration, particularly through the second quarter. This was achieved primarily by selling holdings long-dated US Treasuries.

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

Purchases	Sales
US Treasury 2.875% Notes 15/5/2043	US Treasury 2.875% Notes 15/5/2043
US Treasury 0.875% Notes 28/2/2017	Treasury 1% Gilt 7/9/2017
US Treasury 1.625% Notes 15/8/2022	US Treasury 1.625% Notes 15/8/2022
Poland (Government) 5.75% Bonds 23/9/2022	Poland (Government) 5.75% Bonds 23/9/2022
US Treasury 0% Notes 27/8/2015	US Treasury 0% Notes 19/3/2015
US Treasury 6% Notes 15/2/2026	US Treasury 6% Notes 15/2/2026
US Treasury 0% Notes 19/3/2015	iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF
US Treasury 2.375% Notes 15/1/2025	Portugal (Republic of) 5.65% Bonds 15/2/2024
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	US Treasury 0% Notes 2/10/2014
US Treasury 0.125% Index Linked Bonds 15/4/2020	US Treasury 3.375% Notes 15/4/2032

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	109.48	103.75	4.4786
2012	111.36	104.15	3.8442
2013	112.62	108.30	2.9830
2014	110.26	107.88	2.6956
2015	109.19	106.62	1.0055
Exempt Shares 2 (Gross Accumulation)	Pence	Pence	Pence
2011	156.79	152.78	8.1669
2012	173.86	155.53	7.4539
2013	180.11	173.09	6.1007
2014	184.56	178.71	5.7695
2015	188.64	184.45	2.2261
Institutional Shares (Income)	Pence	Pence	Pence
2011	112.91	107.19	4.6822
2012	115.78	107.73	4.0490
2013	117.29	112.86	3.1720
2014	115.46	113.16	2.8907
2015	114.80	112.24	1.0887
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	135.71	131.98	5.6539
2012	149.21	134.15	5.1303
2013	154.31	148.56	4.1815
2014	157.70	152.93	3.9450
2015	160.96	157.47	1.5206
X Shares (Net Income)	Pence	Pence	Pence
2011	98.84	94.11	4.1008
2012	102.58	94.74	3.5739
2013	104.20	100.37	2.8197
2014	103.42	101.35	2.5897
2015	103.45	101.33	0.9804
X Shares (Gross Accumulation)	Pence	Pence	Pence
2011 (from 18 February)	156.96	153.23	7.0124
2012	175.17	156.08	7.4948
2013	181.72	174.41	6.1574
2014	187.38	180.78	5.8475
2015	191.80	187.33	2.2637
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 21 June)	104.84	100.00	1.9058
2013	106.12	102.07	2.8692
2014	104.18	102.01	2.6035
2015 (to 16 April)	103.38	102.12	0.5908
**P Shares (Net Income) share class closed on 16 April 2015.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 3 September)	103.13	100.00	1.1799
2013	104.52	100.59	2.8271
2014	103.03	101.02	2.5864
2015	102.55	100.29	0.9722

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 September)	103.39	100.00	1.1711
2013	106.67	102.94	2.8889
2014	108.17	105.30	2.7192
2015	109.96	107.61	1.0393
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 2 October)	102.31	100.00	0.8600
2013	103.66	99.74	2.7461
2014	101.93	99.87	2.4978
2015	101.27	98.98	0.9335
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 2 October)	102.31	100.00	0.8600
2013	105.46	101.76	2.7977
2014	106.54	103.90	2.5925
2015	108.08	105.71	0.9925
P Shares (Net Accumulation)***	Pence	Pence	Pence
2012 (from 3 October)	102.14	100.00	0.8634
2013 (to 18 December 2013)	105.26	101.55	2.2431

***P Shares (Net Accumulation) share class closed 18 December 2013.

Exempt Shares 2 (Gross Income)	Pence	Pence	Pence
2013 (from 11 June)	100.57	98.48	2.3366
2014	101.19	99.21	3.1664
2015	100.93	98.72	1.1951

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	344,636,186	108.00	319,112,317
30/06/2014	287,144,984	109.17	263,025,078
30/06/2015	245,823,440	106.11	231,658,719
Exempt Shares 2 (Gross Accumulation)		Pence	
30/06/2013	113,920,740	174.29	65,364,295
30/06/2014	131,650,532	182.92	71,972,866
30/06/2015	180,213,789	184.64	97,602,624
Institutional Shares (Income)		Pence	
30/06/2013	47,816,026	112.55	42,485,320
30/06/2014	33,844,884	114.34	29,600,312
30/06/2015	24,933,922	111.70	22,322,774
X Shares (Net Accumulation)		Pence	
30/06/2013	150,351,898	149.29	100,714,330
30/06/2014	104,350,611	156.39	66,722,625
30/06/2015	185,978,533	157.58	118,024,826

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
X Shares (Net Income)		Pence	
30/06/2013	88,813,758	100.09	88,731,239
30/06/2014	44,003,200	102.46	42,948,602
30/06/2015	59,339,193	100.84	58,842,984
X Shares (Gross Accumulation)		Pence	
30/06/2013	56,913,385	175.95	32,346,962
30/06/2014	59,970,636	185.40	32,346,961
30/06/2015	69,542,899	187.89	37,011,641
P Shares (Net Income)**		Pence	
30/06/2013	343,077	101.79	337,047
30/06/2014	314,554	103.15	304,945
**P Shares (Net Income) share class closed on 16 April 2015.			
Institutional Shares W (Net Income)		Pence	
30/06/2013	58,360,566	100.31	58,177,426
30/06/2014	205,999,000	102.04	201,879,496
30/06/2015	321,122,941	99.81	321,740,893
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	15,756,522	103.11	15,280,903
30/06/2014	40,350,466	107.35	37,588,225
30/06/2015	71,875,979	107.50	66,860,407
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	15,987	99.46	16,074
30/06/2014	52,509	100.95	52,016
30/06/2015	16,166	98.52	16,409
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	46,731	101.90	45,861
30/06/2014	159,367	105.78	150,653
30/06/2015	83,721	105.60	79,282
P Shares (Net Accumulation)***		Pence	
30/06/2013	11,095	101.69	10,911
***P Shares (Net Accumulation) share class closed 18 December 2013.			
Exempt Shares 2 (Gross Income)		Pence	
30/06/2013	17,059,909	98.20	17,372,492
30/06/2014	24,906,930	100.12	24,877,822
30/06/2015	58,761,202	98.14	59,875,206

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.38	1.37
Exempt Shares 2 (Gross Accumulation)	0.46	0.45
Institutional Shares (Income)	0.81	0.80
X Shares (Net Accumulation)	0.06	0.05
X Shares (Net Income)	0.06	0.05
X Shares (Gross Accumulation)	0.06	0.05
P Shares (Net Income)*	n/a	1.05
Institutional Shares W (Net Income)	0.69	0.68
Institutional Shares W (Net Accumulation)	0.69	0.68
Retail Advised Shares B (Net Income)	0.98	0.97
Retail Advised Shares B (Net Accumulation)	0.98	0.97
Exempt Shares 2 (Gross Income)	0.46	0.45

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*P Shares (Net Income) share class closed on 16 April 2015.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 4.85% (12.93%)			
Treasury 1.25% Index-Linked 22/11/2017	£29,020,000	41,279,236	3.39
Treasury 8.75% Stock 25/8/2017	£15,100,000	17,734,572	1.46
Overseas Government Bonds 32.81% (24.26%)			
Costa Rica Government International 4.25% Bonds 26/1/2023	USD 14,420,000	8,481,274	0.70
Ecuador (Government) 9.375% Bonds 15/12/2015	USD 17,110,000	10,824,983	0.89
Fiji Islands (Republic of) 9% Bonds 15/3/2016	USD 3,000,000	1,931,792	0.16
Finland (Government) 0.60525% European Medium Term Floating Rate Notes 25/2/2016	£9,400,000	9,402,914	0.77
Fondo de Amortizacion del Deficit Electrico 0.85% Bonds 17/9/2019	EUR 17,000,000	11,827,977	0.97
Ivory Coast 5.75% European Dollar 31/12/2014	USD 9,250,000	5,587,525	0.46
Kommuninvest I Sverige 0.31585% European Medium Term Notes 28/5/2019	USD 13,258,000	8,410,193	0.69
Mexico (Government) 4.75% Bonds 14/6/2018	MXN 558,410,000	22,732,952	1.87
Morocco (Government) 3.5% Bond 19/6/2024	EUR 4,390,000	3,184,033	0.26
Morocco (Government) 4.5% Bond 5/10/2020	EUR 4,880,000	3,792,329	0.31
Netherlands (Government) 1% Bond 24/2/2017	USD 14,852,000	9,486,128	0.78
Poland (Government) 5.75% Bonds 23/9/2022	PLN 84,180,000	16,602,309	1.36
Singapore (Government) 2.5% Bond 1/6/2019	SGD 18,529,000	9,049,911	0.74
Socialist Republic of Vietnam 6.75% European Dollar Bonds 29/1/2020	USD 6,354,000	4,464,405	0.37
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 45,070,000	26,224,167	2.15
US Treasury 0% Notes 27/8/2015	USD 82,685,000	52,575,610	4.32
US Treasury 0.125% Index Linked Bonds 15/4/2020	USD 45,920,000	29,730,279	2.44
US Treasury 0.875% Notes 28/2/2017	USD 163,000,000	104,206,167	8.56
US Treasury 1.625% Notes 15/8/2022	USD 40,100,000	24,684,818	2.02
US Treasury 2.375% Notes 15/1/2025	USD 38,750,000	36,343,848	2.99
Sterling Denominated Corporate Bonds 16.05% (18.90%)			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£7,100,000	7,376,034	0.61
AA Bond 9.5% Bonds 31/7/2043	£3,160,000	3,442,694	0.28
Abbey National Treasury Services 0.85775% European Medium Term Floating Rate Notes 20/1/2017	£8,160,000	8,172,485	0.67
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2020	£3,650,000	4,011,204	0.33
Arsenal Securities 5.1418% Guaranteed Bonds 1/9/2029	£5,781,558	6,319,724	0.52
ASB Finance 1.40125% Floating Rate European Medium Term Notes 23/10/2015	£7,307,000	7,322,710	0.60
Barclays 1.5% European Medium Term Notes 4/4/2017	£5,000,000	5,051,909	0.42
BP Capital Markets 4.325% Guaranteed European Medium Term Notes 10/12/2018	£5,000,000	5,398,567	0.44
Bupa Finance 7.5% Guaranteed Senior European Medium Term Notes 4/7/2016	£6,015,000	6,370,222	0.52
Close Brothers Finance 3.875% European Medium Term Notes 27/6/2021	£4,050,000	4,221,669	0.35
Conventry 0.87313% Floating Rate Notes 17/3/2020	£6,010,000	6,012,644	0.49
CPUK Finance 2.666% European Medium Term Notes 28/2/2042	£2,602,000	2,592,815	0.21
European Investment Bank 0.63338% European Medium Term Notes 5/1/2016	£3,668,000	3,669,431	0.30
GE Capital 6.44% Guaranteed Senior European Medium Term Bonds 15/11/2022	£3,627,133	4,087,634	0.34
HSBC 5.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 4/11/2030	£7,000,000	7,569,783	0.62
Hutchison Ports Finance 6.75% Guaranteed Bonds 7/12/2015	£6,301,000	6,440,567	0.53
Iron Mountain 6.125% Senior Notes 15/9/2022	£2,726,000	2,795,486	0.23
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£5,140,000	7,292,169	0.60
Lloyds Bank 1.5% European Medium Term Notes 2/5/2017	£7,765,000	7,846,585	0.64
Motability Operations 5.25% Guaranteed European Medium Term Notes 28/9/2016	£1,752,000	1,839,034	0.15
Nationwide Building Society 0.76025% Floating Rate Bonds 17/7/2017	£9,450,000	9,454,631	0.78
Nationwide Building Society 6.875% Perpetual Subordinated Floating Rate European Medium Term Notes	£5,400,000	5,332,500	0.44
Prudential 1.375% Senior European Medium Term Bonds 19/1/2018	£10,000,000	9,934,400	0.82
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£4,000,000	4,745,927	0.39
Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055	£7,145,000	7,486,176	0.61
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£5,712,296	5,182,201	0.43

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds (continued)			
SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	£7,099,000	7,123,563	0.59
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£3,152,841	3,003,554	0.25
Transport For London 2.125% Bonds 24/4/2025	£8,773,000	8,414,184	0.69
UBS 6.625% Guaranteed Senior European Medium Term Notes 11/4/2018	£6,666,000	7,552,298	0.62
Virgin Media Secured Finance 6.25% Guaranteed Senior Notes 28/3/2029	£2,813,000	2,904,901	0.24
Volkswagen Financial Services 1.75% Guaranteed European Medium Term Notes 21/8/2017	£9,119,000	9,187,310	0.75
Whitbread Group 3.375% Bonds 16/10/2025	£2,104,000	2,081,193	0.17
Yorkshire Building Society 4.125% European Medium Term Notes 20/11/2024	£5,163,000	5,167,389	0.42
Non-Sterling Denominated Corporate Bonds 39.09% (39.55%)			
Agence Francaise de Development 1.125% Bonds 3/10/2016	USD 14,680,000	9,380,937	0.77
Allied Irish Banks 2.75% European Medium Term Notes 16/4/2019	EUR 3,434,000	2,515,347	0.21
Altice 6.25% Bonds 15/2/2025	EUR 3,500,000	2,349,451	0.19
Altice 7.25% Senior Notes 15/5/2022	EUR 2,370,000	1,691,658	0.14
Altice Financing 7.875% Bonds 15/12/2019	USD 3,529,000	2,361,717	0.19
Aquarius + Investments for Swiss Reinsurance Co 8.25% Perpetual European Medium Term Notes	USD 9,200,000	6,317,797	0.52
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	EUR 2,608,000	1,739,905	0.14
Ball 5.25% Bonds 1/7/2025	USD 5,900,000	3,709,306	0.30
Barclays Bank Australia 4.525% Medium Term Floating Rate Notes 17/8/2015	AUD 6,300,000	3,084,420	0.25
Bertelsmann 3.5% Floating Rate European Medium Term Notes 23/4/2075	EUR 8,500,000	5,467,400	0.45
Bharti Airtel International Netherlands 5.35% Guaranteed Bonds 20/5/2024	USD 8,287,000	5,579,537	0.46
Boats Investments Netherlands 7.579% European Medium Term Floating Rate Notes 15/12/2015	EUR 4,808,373	17,033	0.00
Boparan Finance 4.375% Senior European Medium Term Notes 15/7/2021	EUR 4,865,000	3,153,719	0.26
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL 143,000,000	21,433,646	1.76
Cemex 7.25% 15/1/2021	USD 4,179,000	2,803,892	0.23
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY 7,160,000	505,668	0.04
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY 2,421,512	210,900	0.02
Community Health Systems 5.125% Bonds 1/8/2021	USD 4,062,000	2,631,247	0.22
Citigroup 5.5% Bonds 13/9/2025	USD 8,700,000	5,978,848	0.49
Cognor International Finance 5% Variable Convertible Bonds 1/2/2021	EUR 566,655	210,764	0.02
Cognor International Finance 7.5% Guaranteed Senior Notes 1/2/2020	EUR 2,266,620	1,083,931	0.09
Co-Operative Bank 2.375% European Medium Term Notes 23/10/2015	EUR 6,930,000	4,866,711	0.40
Council Of Europe Development Bank 1.125% Bonds 31/5/2018	USD 17,990,000	11,414,539	0.94
Coventry Building Society 2.5% Senior Notes 18/11/2020	EUR 5,676,000	4,262,115	0.35
Daimler Finance North America 1.875% Bonds 11/1/2018	USD 10,198,000	6,498,519	0.53
Dana Gas Sukuk 9% Notes 31/10/2017	USD 1,744,490	909,449	0.07
Danske Bank 3.875% Subordinated Floating Rate Notes 4/10/2023	EUR 8,180,000	6,205,757	0.51
Deutsche Annington 1.5% Bonds 31/3/2025	EUR 3,384,000	2,214,661	0.18
Dexia Credit Local 2.25% Bonds 30/1/2019	USD 20,990,000	13,580,905	1.11
Dexia Credit Local SA 1% European Medium Term Notes 11/7/2016	EUR 10,500,000	7,508,082	0.62
Eksportfinans 5.5% Bonds 25/5/2016	USD 7,060,000	4,618,157	0.38
ERC Ireland Finance 5.349% Guaranteed Subordinated Floating Rate Notes 15/8/2016	EUR 2,150,000	1,904	0.00
Eurofima 0.3376% European Medium Term Floating Rate Notes 10/6/2016	USD 13,200,000	8,389,180	0.69
Eurofima 5.25% European Medium Term Notes 7/4/2016	USD 17,750,000	11,700,531	0.96
European Bank for Reconstruction & Development 4% Guaranteed Medium Term Notes 11/5/2017	NOK 30,050,000	2,548,032	0.21
First Data 7.375% Bonds 15/6/2019	USD 4,691,000	2,245,730	0.18
Former Yugoslav Republic of Macedonia 3.975% Bonds 24/7/2021	EUR 7,310,000	4,977,533	0.41
Freeport-McMoRan 2.3% Bonds 14/11/2017	USD 8,860,000	5,616,272	0.46
Genel Energy Finance 7.5% Bonds 14/5/2019	USD 2,200,000	1,262,283	0.10
General Electric Capital 5.625% Bonds 15/9/2017	USD 12,800,000	8,862,675	0.73
Hellas Telecommunications Finance 8.835% Bonds 15/7/2015**	EUR 3,679,267	0.00	0.00
Hellas Telecommunications II 0% Subordinated Floating Rate Notes 15/1/2015	EUR 1,600,000	11,335	0.00
International Bank for Reconstruction & Development 0.5% Bonds 15/4/2016	USD 18,450,000	11,743,923	0.96

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non-Sterling Denominated Corporate Bonds (continued)			
International Bank for Reconstruction & Development 4.625% Medium Term Notes 26/2/2019	NZD 27,130,000	12,142,139	1.00
International Game Technology 4.75% Bonds 15/2/2023	EUR 1,444,000	984,662	0.08
Kerling 10.625% Senior Notes 28/1/2017	EUR 2,816,000	2,034,942	0.17
KFW 3.375% European Medium Term Notes 18/8/2017	NOK 38,920,000	3,286,180	0.27
KFW 3.75% European Medium Term Notes 14/6/2018	NZD 13,360,000	5,835,323	0.48
Kinder Morgan 2.25% Bonds 16/3/2027	EUR 5,290,000	3,474,518	0.29
Kommunalbanken 0.36235% Bonds Floating Rate 2/5/2019	USD 15,900,000	10,102,116	0.83
Kommunalbanken 0.5% Bonds 29/3/2016	USD 18,730,000	11,902,166	0.98
Kommunekredit 0.875% European Medium Term Notes 29/7/2016	USD 13,900,000	8,872,243	0.73
Labco SAS 8.5% Senior Notes 15/1/2018	EUR 5,200,000	3,831,385	0.31
Landwirtschaftliche Rentenbank 3.275% Medium Term Floating Rate Notes 27/1/2016	AUD 8,990,000	4,404,450	0.36
Landwirtschaftliche Rentenbank 4% Medium Term Notes 30/1/2020	NZD 20,710,000	9,029,956	0.74
LGE HoldCo 7.125% Notes 15/5/2024	EUR 3,347,000	2,632,072	0.22
Lloyds TSB Bank 13% Subordinated Floating Rate Bonds 19/12/2021	AUD 6,068,000	3,386,449	0.28
Metropolitan Life Global Funding 0.477% Floating Rate Notes 14/7/2016	USD 15,800,000	10,055,609	0.83
Millicom International Cellular 6.625% Notes 15/10/2021	USD 3,978,000	2,617,937	0.22
Motability Operations 1.625% European Medium Term Notes 9/6/2023	EUR 8,271,000	5,878,182	0.48
Municipality Finance 2.375% European Medium Term Notes 16/5/2016	USD 17,910,000	11,578,809	0.95
National Wealth Management Holdings 3.37% Medium Term Notes Floating Rate 16/6/2026	AUD 3,720,000	1,800,369	0.15
National Wealth Management Holdings 6.75% Medium Term Notes 16/6/2026	AUD 2,500,000	1,249,414	0.10
Nederlandse Financierings Floating Rate Notes 21/10/2019	USD 16,050,000	10,178,845	0.84
NET4GAS 2.5% Senior European Medium Term Notes Bonds 28/7/2021	EUR 7,890,000	5,767,051	0.47
New Red Finance 6% Bonds 1/4/2022	USD 4,466,000	2,917,794	0.24
Nielsen Finance 5% Bonds 15/4/2022	USD 4,225,000	2,632,734	0.22
Norcell Sweden Holding 3 5.25% Bonds 4/11/2019	SEK 44,000,000	3,522,650	0.29
Nordic Investment Bank 4.125% Medium Term Notes 16/3/2017	NZD 16,501,000	7,195,205	0.59
Numericable-SFR 5.625% Bonds 15/5/2024	EUR 3,879,000	2,772,187	0.23
Orange 4% Perpetual European Medium Term Notes	EUR 2,120,000	1,526,652	0.13
Origin Energy 3.5% Bonds 9/10/2018	USD 10,681,000	6,966,977	0.57
Pershing Square 5.5% Senior Notes 15/7/2022	USD 10,838,000	6,918,554	0.57
Petrobras International 7.875% Bonds 15/3/2019	USD 6,135,000	4,143,612	0.34
Play Finance 2 5.25% Senior Notes 1/2/2019	EUR 2,247,000	1,631,722	0.13
Pohjola Bank 5.75% Bonds 28/2/2022	EUR 5,244,000	4,552,175	0.37
Rabobank Nederland 7.25% Senior Notes 20/4/2018	AUD 7,750,000	4,206,180	0.35
Roche Holdings 0.3446% Bonds 29/9/2017	USD 15,930,000	10,172,916	0.84
Royal Bank of Canada 1.125% Bonds 22/7/2016	USD 15,710,000	10,041,324	0.82
Royal Bank of Canada 1.875% Bonds 5/2/2020	USD 16,250,000	10,249,248	0.84
RWE 4.625% Guaranteed Perpetual Subordinated Floating Rate Bonds	EUR 5,190,000	3,679,293	0.30
Sazka 9% Bonds 12/7/2021	EUR 816,838	5,787	0.00
Shell International Finance 0.72885% Bonds 11/5/2020	USD 14,300,000	9,053,599	0.74
Silverback Finance 3.1261% Bonds 25/2/2037	EUR 12,750,000	8,662,683	0.71
SPP Infrastructure Financing 2.625% Bonds 12/2/2025	EUR 8,922,000	5,766,526	0.47
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 8,527,000	5,272,784	0.43
Statoil 7.5% Bonds 1/10/2016	USD 5,665,000	3,899,888	0.32
Svensk Exportkredit 2.875% Bonds 14/11/2023	USD 9,027,000	5,723,854	0.47
Tenet Healthcare 6% Bonds 1/10/2020	USD 4,300,000	2,915,289	0.24
Teva Pharmaceutical 1.875% Bonds 31/3/2027	EUR 5,016,000	3,249,828	0.27
Tullow Oil 6% Bonds 1/11/2020	USD 2,246,000	1,294,231	0.11
Unitymedia Hessen 4% Senior Notes 15/1/2025	EUR 4,098,000	2,957,063	0.24
Unitymedia Hessen 6.25% Guaranteed Senior Notes 15/1/2029	EUR 3,302,000	2,625,926	0.22
Walgreens Boots Alliance 4.8% Bonds 18/11/2044	USD 9,559,000	5,719,451	0.47
Wells Fargo 3.1067% Floating Rate Bonds 25/5/2017	AUD 6,250,000	3,014,460	0.25

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Czech Equities 0.00% (0.00%)			
Bestsport Arena**	10,388,186	0.00	0.00
Bestsport Services**	1,446,977	0.00	0.00
Non Equity Investment Instruments 0.99% (0.00%)			
SPDR Emerging Market Trust	246,945	12,122,530	0.99
Derivatives 2.03% (0.73%)			
AUD Forward Foreign Currency Contracts 0.13% (-0.01%)			
Forward Foreign Currency Contracts 11/09/2015	AUD (77,676,350)	(37,832,033)	(3.11)
Forward Foreign Currency Contracts 11/09/2015	£39,353,310	39,353,310	3.23
Forward Foreign Currency Contracts 11/09/2015	AUD (21,348,000)	(10,397,479)	(0.85)
Forward Foreign Currency Contracts 11/09/2015	USD 16,506,227	10,500,901	0.86
BRL Forward Foreign Currency Contracts 0.00% (-0.04%)			
Forward Foreign Currency Contracts 11/09/2015	BRL (37,699,000)	(7,521,468)	(0.62)
Forward Foreign Currency Contracts 11/09/2015	£7,617,960	7,617,960	0.63
Forward Foreign Currency Contracts 11/09/2015	BRL (67,554,000)	(13,477,950)	(1.11)
Forward Foreign Currency Contracts 11/09/2015	USD 20,948,479	13,326,965	1.09
CAD Forward Foreign Currency Contracts 0.00% (-0.03%)			
Forward Foreign Currency Contracts 11/09/2015	USD 1,608,272	818,741	0.07
Forward Foreign Currency Contracts 11/09/2015	£(844,740)	(844,740)	(0.07)
DKK Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 11/09/2015	DKK (22,714,000)	(2,162,845)	(0.18)
Forward Foreign Currency Contracts 11/09/2015	USD 3,396,519	2,160,791	0.18
EUR Forward Foreign Currency Contracts 0.30% (0.14%)			
Forward Foreign Currency Contracts 11/09/2015	EUR 6,935,476	4,921,077	0.40
Forward Foreign Currency Contracts 11/09/2015	£(4,942,437)	(4,942,437)	(0.41)
Forward Foreign Currency Contracts 11/09/2015	EUR 18,401,697	13,056,952	1.07
Forward Foreign Currency Contracts 11/09/2015	£(13,102,152)	(13,102,152)	(1.08)
Forward Foreign Currency Contracts 11/09/2015	EUR 3,514,728	2,493,880	0.21
Forward Foreign Currency Contracts 11/09/2015	£(2,567,758)	(2,567,758)	(0.21)
Forward Foreign Currency Contracts 11/09/2015	EUR 846,929	600,940	0.05
Forward Foreign Currency Contracts 11/09/2015	£(610,307)	(610,307)	(0.05)
Forward Foreign Currency Contracts 11/09/2015	EUR (3,614,119)	(2,564,403)	(0.21)
Forward Foreign Currency Contracts 11/09/2015	£2,633,735	2,633,735	0.22
Forward Foreign Currency Contracts 11/09/2015	EUR (2,048,709)	(1,453,664)	(0.12)
Forward Foreign Currency Contracts 11/09/2015	£1,504,680	1,504,680	0.12
Forward Foreign Currency Contracts 11/09/2015	EUR (194,238,017)	(137,821,872)	(11.32)
Forward Foreign Currency Contracts 11/09/2015	£141,639,492	141,639,492	11.64
Forward Foreign Currency Contracts 11/09/2015	EUR (4,812,639)	(3,414,815)	(0.28)
Forward Foreign Currency Contracts 11/09/2015	£3,546,265	3,546,265	0.29
Forward Foreign Currency Contracts 11/09/2015	EUR (59,112,762)	(41,943,547)	(3.45)
Forward Foreign Currency Contracts 11/09/2015	USD 65,620,904	41,746,588	3.43
Forward Foreign Currency Contracts 11/09/2015	EUR 3,620,000	2,568,576	0.21
Forward Foreign Currency Contracts 11/09/2015	USD(4,082,978)	(2,597,502)	(0.21)
Forward Foreign Currency Contracts 11/09/2015	EUR (28,381,627)	(20,138,226)	(1.65)
Forward Foreign Currency Contracts 11/09/2015	DKK 211,399,324	20,129,614	1.65
Forward Foreign Currency Contracts 11/09/2015	EUR (17,481,000)	(12,403,669)	(1.02)
Forward Foreign Currency Contracts 11/09/2015	NOK 153,013,098	12,352,047	1.02

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
JPY Forward Foreign Currency Contracts -0.02% (0.00%)			
Forward Foreign Currency Contracts 11/09/2015	JPY (2,270,939,000)	(11,817,517)	(0.97)
Forward Foreign Currency Contracts 11/09/2015	USD 18,281,099	11,630,036	0.96
Forward Foreign Currency Contracts 11/09/2015	JPY (1,207,261,000)	(6,282,347)	(0.52)
Forward Foreign Currency Contracts 11/09/2015	USD 9,722,012	6,184,932	0.51
MXN Forward Foreign Currency Contracts 0.07% (0.03%)			
Forward Foreign Currency Contracts 11/09/2015	MXN (169,794,582)	(6,849,016)	(0.56)
Forward Foreign Currency Contracts 11/09/2015	£7,060,360	7,060,360	0.58
Forward Foreign Currency Contracts 11/09/2015	MXN (423,367,429)	(17,077,401)	(1.40)
Forward Foreign Currency Contracts 11/09/2015	£17,795,741	17,795,741	1.46
Forward Foreign Currency Contracts 11/09/2015	MXN 254,335,072	10,259,131	0.84
Forward Foreign Currency Contracts 11/09/2015	USD(16,314,938)	(10,379,208)	(0.85)
Forward Foreign Currency Contracts 11/09/2015	MXN 13,409,595	540,904	0.05
Forward Foreign Currency Contracts 11/09/2015	£(548,056)	(548,056)	(0.05)
Forward Foreign Currency Contracts 11/09/2015	MXN (233,964,000)	(9,437,422)	(0.78)
Forward Foreign Currency Contracts 11/09/2015	USD 14,855,329	9,450,636	0.78
NOK Forward Foreign Currency Contracts 0.01% (0.04%)			
Forward Foreign Currency Contracts 11/09/2015	NOK (68,933,563)	(5,564,691)	(0.46)
Forward Foreign Currency Contracts 11/09/2015	£5,749,385	5,749,385	0.47
Forward Foreign Currency Contracts 11/09/2015	NOK 146,825,000	11,852,511	0.97
Forward Foreign Currency Contracts 11/09/2015	USD(18,659,609)	(11,870,836)	(0.97)
Forward Foreign Currency Contracts 11/09/2015	NOK 71,692,000	5,787,367	0.48
Forward Foreign Currency Contracts 11/09/2015	USD(9,204,026)	(5,855,401)	(0.48)
Forward Foreign Currency Contracts 11/09/2015	NOK (156,908,276)	(12,666,487)	(1.04)
Forward Foreign Currency Contracts 11/09/2015	USD 19,978,466	12,709,865	1.04
NZD Forward Foreign Currency Contracts 0.24% (-0.01%)			
Forward Foreign Currency Contracts 11/09/2015	NZD (78,845,484)	(33,713,559)	(2.77)
Forward Foreign Currency Contracts 11/09/2015	£36,564,665	36,564,665	3.00
Forward Foreign Currency Contracts 11/09/2015	NZD (950,000)	(406,211)	(0.03)
Forward Foreign Currency Contracts 11/09/2015	USD 672,644	427,921	0.04
PLN Forward Foreign Currency Contracts 0.03% (0.00%)			
Forward Foreign Currency Contracts 11/09/2015	PLN (31,923,636)	(5,389,411)	(0.44)
Forward Foreign Currency Contracts 11/09/2015	£5,622,220	5,622,220	0.46
Forward Foreign Currency Contracts 11/09/2015	PLN (75,000,000)	(12,661,647)	(1.04)
Forward Foreign Currency Contracts 11/09/2015	USD 20,153,272	12,821,072	1.05
SEK Forward Foreign Currency Contracts 0.00% (0.01%)			
Forward Foreign Currency Contracts 11/09/2015	SEK (45,328,498)	(3,480,641)	(0.29)
Forward Foreign Currency Contracts 11/09/2015	£3,521,552	3,521,552	0.29
SGD Forward Foreign Currency Contracts 0.02% (0.01%)			
Forward Foreign Currency Contracts 11/09/2015	SGD (19,743,106)	(9,318,289)	(0.77)
Forward Foreign Currency Contracts 11/09/2015	£9,572,480	9,572,480	0.79
TRY Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 11/09/2015	TRY (1,629,523)	(379,050)	(0.03)
Forward Foreign Currency Contracts 11/09/2015	£386,316	386,316	0.03

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
USD Forward Foreign Currency Contracts 1.26% (0.56%)			
Forward Foreign Currency Contracts 14/08/2015	USD(457,789)	(291,175)	(0.02)
Forward Foreign Currency Contracts 14/08/2015	£295,374	295,374	0.02
Forward Foreign Currency Contracts 11/09/2015	USD(5,628,829)	(3,580,938)	(0.29)
Forward Foreign Currency Contracts 11/09/2015	£3,565,329	3,565,329	0.29
Forward Foreign Currency Contracts 11/09/2015	USD(118,226,283)	(75,212,982)	(6.18)
Forward Foreign Currency Contracts 11/09/2015	£74,914,461	74,914,461	6.15
Forward Foreign Currency Contracts 11/09/2015	USD(871,063,617)	(554,151,673)	(45.52)
Forward Foreign Currency Contracts 11/09/2015	£570,162,739	570,162,739	46.84
Forward Foreign Currency Contracts 11/09/2015	USD(38,597,268)	(24,554,740)	(2.02)
Forward Foreign Currency Contracts 11/09/2015	£24,565,799	24,565,799	2.02
Forward Foreign Currency Contracts 11/09/2015	USD 1,930,313	1,228,023	0.10
Forward Foreign Currency Contracts 11/09/2015	£(1,227,045)	(1,227,045)	(0.10)
Forward Foreign Currency Contracts 11/09/2015	USD 53,596,861	34,097,154	2.80
Forward Foreign Currency Contracts 11/09/2015	£(34,010,428)	(34,010,428)	(2.79)
Forward Foreign Currency Contracts 11/09/2015	USD 21,841,111	13,894,839	1.14
Forward Foreign Currency Contracts 11/09/2015	£(14,309,082)	(14,309,082)	(1.18)
Futures & Options 0.00% (0.06%)			
Long Gilt Future Expires September 2015	£(391)	465,036	0.04
US 5 Year Note Future (CBT) Expires September 2015	USD(1,542)	(102,855)	(0.01)
US 10 Year Note Future (CBT) Expires September 2015	USD(901)	(412,708)	(0.03)
Portfolio of investments*		1,166,835,049	95.82
Net current assets		50,856,736	4.18
Total Net Assets		1,217,691,785	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2014, the Fund disposed of its holdings in the Kazakhstan portfolio category, which, at 30 June 2014, represented 0.00% of the Total Net Assets of the Fund.

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt and equity securities issued by the relevant companies or issuers.

GDR = Global Depositary Receipt

*Net of investment liabilities

**Delisted/Suspended/Unlisted security.

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	163,377	13.41	31.04
AA	407,727	33.48	5.28
A	94,808	7.79	12.86
BBB	158,760	13.04	15.84
BB	61,709	5.07	7.12
B	47,938	3.94	9.55
CCC	1,295	0.11	0.79
Not Rated (by S&P)	206,470	16.95	13.16
Derivatives	24,751	2.03	0.73
Portfolio of investments	1,166,835	95.82	96.37
Net current assets	50,857	4.18	3.63
Total Net Assets	1,217,692	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital (losses)/gains	1		(19,088,804)		21,405,951
Revenue	2	30,568,962		27,384,570	
Expenses	3	(7,258,293)		(6,492,336)	
Finance costs: Interest	5	(1,362)		(565)	
Net revenue before taxation		23,309,307		20,891,669	
Taxation	4	-		-	
Net revenue after taxation			23,309,307		20,891,669
Total return before distributions			4,220,503		42,297,620
Finance costs: Distributions	5		(29,789,473)		(26,682,559)
Change in net assets attributable to Shareholders from investment activities			(25,568,970)		15,615,061

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		932,747,673		894,045,880
Amounts receivable on issue of shares	412,679,898		323,764,563	
Amounts payable on cancellation of shares	(113,006,138)		(309,825,514)	
		299,673,760		13,939,049
Dilution adjustment		206,638		111,968
Change in net assets attributable to Shareholders from investment activities (see above)		(25,568,970)		15,615,061
Retained distributions on accumulation shares		10,632,684		9,035,715
Closing net assets attributable to Shareholders		1,217,691,785		932,747,673

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			1,169,192,431		901,125,330
Debtors	7	62,335,140		33,528,595	
Cash and bank balances	8	<u>46,308,037</u>		<u>36,580,514</u>	
Total other assets			<u>108,643,177</u>		<u>70,109,109</u>
Total assets			1,277,835,608		971,234,439
LIABILITIES					
Investment liabilities			(2,357,382)		(2,270,124)
Creditors	9	(55,024,512)		(32,907,359)	
Distribution payable on income shares		<u>(2,761,929)</u>		<u>(3,309,283)</u>	
Total other liabilities			<u>(57,786,441)</u>		<u>(36,216,642)</u>
Total liabilities			(60,143,823)		(38,486,766)
Net assets attributable to Shareholders			<u>1,217,691,785</u>		<u>932,747,673</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.4936	0.0987	0.3949	0.0000	0.3949	0.5919
Group 2	0.1729	0.0346	0.1383	0.2566	0.3949	0.5919
Institutional Shares (Income)						
Group 1	0.5391	0.1078	0.4313	0.0000	0.4313	0.6355
Group 2	0.2791	0.0558	0.2233	0.2080	0.4313	0.6355
X Shares (Net Accumulation)						
Group 1	0.7560	0.1512	0.6048	0.0000	0.6048	0.8637
Group 2	0.3648	0.0730	0.2918	0.3130	0.6048	0.8637
X Shares (Net Income)						
Group 1	0.4858	0.0972	0.3886	0.0000	0.3886	0.5689
Group 2	0.0910	0.0182	0.0728	0.3158	0.3886	0.5689
P Shares (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.5735
Group 2	n/a	n/a	n/a	n/a	n/a	0.5735
*P Shares (Net Income) share class closed on 16 April 2015.						
Institutional Shares W (Net Income)						
Group 1	0.4813	0.0963	0.3850	0.0000	0.3850	0.5671
Group 2	0.0964	0.0193	0.0771	0.3079	0.3850	0.5671
Institutional Shares W (Net Accumulation)						
Group 1	0.5163	0.1033	0.4130	0.0000	0.4130	0.5933
Group 2	0.1908	0.0382	0.1526	0.2604	0.4130	0.5933
Retail Advised Shares B (Net Income)						
Group 1	0.4591	0.0918	0.3673	0.0000	0.3673	0.5470
Group 2	0.0000	0.0000	0.0000	0.3673	0.3673	0.5470
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4893	0.0979	0.3914	0.0000	0.3914	0.5701
Group 2	0.0119	0.0024	0.0095	0.3819	0.3914	0.5701
			Gross Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Exempt Shares 2 (Gross Accumulation)						
Group 1			0.8849	0.0000	0.8849	1.2633
Group 2			0.0000	0.8849	0.8849	1.2633
X Shares (Gross Accumulation)						
Group 1			0.9010	0.0000	0.9010	1.2789
Group 2			0.0000	0.9010	0.9010	1.2789
Exempt Shares 2 (Gross Income)						
Group 1			0.4734	0.0000	0.4734	0.6958
Group 2			0.1224	0.3510	0.4734	0.6958

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.7633	0.1527	0.6106	0.0000	0.6106	0.6356
Group 2	0.4000	0.0800	0.3200	0.2906	0.6106	0.6356
Institutional Shares (Income)						
Group 1	0.8218	0.1644	0.6574	0.0000	0.6574	0.6803
Group 2	0.5936	0.1187	0.4749	0.1825	0.6574	0.6803
X Shares (Net Accumulation)						
Group 1	1.1448	0.2290	0.9158	0.0000	0.9158	0.9173
Group 2	0.4988	0.0998	0.3990	0.5168	0.9158	0.9173
X Shares (Net Income)						
Group 1	0.7398	0.1480	0.5918	0.0000	0.5918	0.6079
Group 2	0.2973	0.0595	0.2378	0.3540	0.5918	0.6079
P Shares (Net Income)						
Group 1	0.7385	0.1477	0.5908	0.0000	0.5908	0.6143
Group 2	0.7385	0.1477	0.5908	0.0000	0.5908	0.6143
Institutional Shares W (Net Income)						
Group 1	0.7340	0.1468	0.5872	0.0000	0.5872	0.6068
Group 2	0.3014	0.0603	0.2411	0.3461	0.5872	0.6068
Institutional Shares W (Net Accumulation)						
Group 1	0.7829	0.1566	0.6263	0.0000	0.6263	0.6311
Group 2	0.3685	0.0737	0.2948	0.3315	0.6263	0.6311
Retail Advised Shares B (Net Income)						
Group 1	0.7078	0.1416	0.5662	0.0000	0.5662	0.5869
Group 2	0.3091	0.0618	0.2473	0.3189	0.5662	0.5869
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7514	0.1503	0.6011	0.0000	0.6011	0.6082
Group 2	0.2646	0.0529	0.2117	0.3894	0.6011	0.6082
			Gross Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Exempt Shares 2 (Gross Accumulation)						
Group 1			1.3412	0.0000	1.3412	1.3402
Group 2			0.6382	0.7030	1.3412	1.3402
X Shares (Gross Accumulation)						
Group 1			1.3627	0.0000	1.3627	1.3564
Group 2			0.6670	0.6957	1.3627	1.3564
Exempt Shares 2 (Gross Income)						
Group 1			0.7217	0.0000	0.7217	0.7442
Group 2			0.3182	0.4035	0.7217	0.7442

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.7983	0.1597	0.6386	0.0000	0.6386	0.6244
Group 2	0.2995	0.0599	0.2396	0.3990	0.6386	0.6244
Institutional Shares (Income)						
Group 1	0.8979	0.1796	0.7183	0.0000	0.7183	0.6680
Group 2	0.3660	0.0732	0.2928	0.4255	0.7183	0.6680
X Shares (Net Accumulation)						
Group 1	1.3138	0.2628	1.0510	0.0000	1.0510	0.8938
Group 2	1.0624	0.2125	0.8499	0.2011	1.0510	0.8938
X Shares (Net Income)						
Group 1	0.8546	0.1709	0.6837	0.0000	0.6837	0.5958
Group 2	0.0606	0.0121	0.0485	0.6352	0.6837	0.5958
P Shares (Net Income)						
Group 1	0.7876	0.1575	0.6301	0.0000	0.6301	0.6036
Group 2	0.7876	0.1575	0.6301	0.0000	0.6301	0.6036
Institutional Shares W (Net Income)						
Group 1	0.8179	0.1636	0.6543	0.0000	0.6543	0.5957
Group 2	0.4036	0.0807	0.3229	0.3314	0.6543	0.5957
Institutional Shares W (Net Accumulation)						
Group 1	0.8715	0.1743	0.6972	0.0000	0.6972	0.6159
Group 2	0.4778	0.0956	0.3822	0.3150	0.6972	0.6159
Retail Advised Shares B (Net Income)						
Group 1	0.7716	0.1543	0.6173	0.0000	0.6173	0.5759
Group 2	0.6514	0.1303	0.5211	0.0962	0.6173	0.5759
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7894	0.1579	0.6315	0.0000	0.6315	0.5934
Group 2	0.5369	0.1074	0.4295	0.2020	0.6315	0.5934
			Gross Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 2 (Gross Accumulation)						
Group 1			1.5382	0.0000	1.5382	1.3053
Group 2			1.2596	0.2786	1.5382	1.3053
X Shares (Gross Accumulation)						
Group 1			1.5614	0.0000	1.5614	1.3197
Group 2			1.5614	0.0000	1.5614	1.3197
Exempt Shares 2 (Gross Income)						
Group 1			0.8346	0.0000	0.8346	0.7301
Group 2			0.3588	0.4758	0.8346	0.7301

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	1.0369	0.2074	0.8295	0.0000	0.8295	0.6231
Group 2	0.5124	0.1025	0.4099	0.4196	0.8295	0.6231
Institutional Shares (Income)						
Group 1	1.0708	0.2142	0.8566	0.0000	0.8566	0.6658
Group 2	0.5664	0.1133	0.4531	0.4035	0.8566	0.6658
X Shares (Net Accumulation)						
Group 1	1.3913	0.2783	1.1130	0.0000	1.1130	0.8838
Group 2	0.5050	0.1010	0.4040	0.7090	1.1130	0.8838
X Shares (Net Income)						
Group 1	0.9115	0.1823	0.7292	0.0000	0.7292	0.5926
Group 2	0.5826	0.1165	0.4661	0.2631	0.7292	0.5926
P Shares (Net Income)						
Group 1	0.9820	0.1964	0.7856	0.0000	0.7856	0.6019
Group 2	0.9820	0.1964	0.7856	0.0000	0.7856	0.6019
Institutional Shares W (Net Income)						
Group 1	0.9478	0.1896	0.7582	0.0000	0.7582	0.5935
Group 2	0.3691	0.0738	0.2953	0.4629	0.7582	0.5935
Institutional Shares W (Net Accumulation)						
Group 1	0.9970	0.1994	0.7976	0.0000	0.7976	0.6100
Group 2	0.4161	0.0832	0.3329	0.4647	0.7976	0.6100
Retail Advised Shares B (Net Income)						
Group 1	0.9333	0.1867	0.7466	0.0000	0.7466	0.5741
Group 2	0.8324	0.1665	0.6659	0.0807	0.7466	0.5741
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9784	0.1957	0.7827	0.0000	0.7827	0.5881
Group 2	0.3278	0.0656	0.2622	0.5205	0.7827	0.5881
P Shares (Net Accumulation)						
Group 1	n/a	n/a	n/a	n/a	n/a	0.6013
Group 2	n/a	n/a	n/a	n/a	n/a	0.6013
	Gross Revenue		Equalisation		Amount Paid	Prior Period 30/09/2013
Exempt Shares 2 (Gross Accumulation)						
Group 1			1.6278	0.0000	1.6278	1.2902
Group 2			1.1685	0.4593	1.6278	1.2902
X Shares (Gross Accumulation)						
Group 1			1.6508	0.0000	1.6508	1.3031
Group 2			1.6508	0.0000	1.6508	1.3031
Exempt Shares 2 (Gross Income)						
Group 1			0.8918	0.0000	0.8918	0.7269
Group 2			0.4067	0.4851	0.8918	0.7269

Notes to the Financial Statements

1 Net capital (losses)/gains

	30/06/2015	30/06/2014
	£	£
The net capital (losses)/gains on investments during the year comprise		
Losses on non-derivative securities	(39,717,296)	(44,026,298)
(Losses)/gains on derivative contracts	(622,261)	3,106,497
Gains on forward currency contracts	27,104,475	61,685,509
Currency exchange (losses)/gains	(5,780,147)	678,439
Activity charges	(73,575)	(38,196)
Net capital (losses)/gains	(19,088,804)	21,405,951

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	132,422	164,272
Interest on debt securities	32,429,658	27,143,932
Returns on derivatives	(2,269,424)	-
Overseas dividends	172,344	35,217
Stock lending	103,962	41,149
Total revenue	30,568,962	27,384,570

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	6,478,133	5,812,209
Administration fees	511,781	498,513
Registrar's disbursement fees	2,440	197
Safe custody charges	198,730	113,369
	7,191,084	6,424,288
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	58,872	57,201
Distribution reconciliation service	485	816
	59,357	58,017
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	8,105	7,980
- Non-audit services (tax compliance fee)†	(530)	1,764
Financial Conduct Authority fee	277	287
	7,852	10,031
Total expenses	7,258,293	6,492,336

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,750 (2014: £6,650) and £nil (2014: £1,470) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	-	-
Total current tax charge (see note 4b)	-	-

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	23,309,307	20,891,669
Corporation tax @ 20%	4,661,861	4,178,334
Effects of:		
Tax effect of capitalised fees	1,295,627	-
Tax deductible interest distributions	(5,957,488)	(4,023,249)
Tax relief due to capital indexation loss	-	(155,085)
Total current tax charge (see note 4a)	-	-

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of nil (30/06/14: nil) in relation to surplus management expenses of nil (30/06/14: nil). Current period income has been set off against excess management expense brought forward. No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim interest 30 September - Sterling Income Shares	2,119,791	1,910,014
Interim interest 30 September - Exempt Shares 2 (Gross Accumulation)	1,262,145	742,150
Interim interest 30 September - Institutional Shares (Income)	200,801	263,214
Interim interest 30 September - X Shares (Net Accumulation)	742,626	954,992
Interim interest 30 September - X Shares (Net Income)	252,769	464,520
Interim interest 30 September - X Shares (Gross Accumulation)	533,985	421,513
Interim interest 30 September - P Shares (Net Income)	2,384	1,941
Interim interest 30 September - Institutional Shares W (Net Income)	1,904,975	585,166
Interim interest 30 September - Institutional Shares W (Net Accumulation)	389,664	103,518
Interim interest 30 September - Retail Advised Shares B (Net Income)	402	81
Interim interest 30 September - Retail Advised Shares B (Net Accumulation)	594	361
Interim interest 30 September - P Net Accumulation	-	66
Interim interest 30 September - Exempt Shares 2 (Gross Income)	252,203	137,635
Interim interest 31 December - Sterling Income Shares	1,608,907	1,780,323
Interim interest 31 December - Exempt Shares 2 (Gross Accumulation)	1,298,790	780,373
Interim interest 31 December - Institutional Shares (Income)	176,010	268,358
Interim interest 31 December - X Shares (Net Accumulation)	700,161	1,040,225
Interim interest 31 December - X Shares (Net Income)	221,922	441,891
Interim interest 31 December - X Shares (Gross Accumulation)	505,065	426,883
Interim interest 31 December - P Shares (Net Income)	1,805	1,918
Interim interest 31 December - Institutional Shares W (Net Income)	1,781,708	839,301

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim interest 31 December - Institutional Shares W (Net Accumulation)	406,894	155,875
Interim interest 31 December - Retail Advised Shares B (Net Income)	357	285
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	460	891
Interim interest 31 December - Exempt Shares 2 (Gross Income)	295,580	141,505
Interim interest 31 March - Sterling Income Shares	1,469,360	1,750,428
Interim interest 31 March - Exempt Shares 2 (Gross Accumulation)	1,133,183	875,400
Interim interest 31 March - Institutional Shares (Income)	199,644	191,535
Interim interest 31 March - X Shares (Net Accumulation)	610,064	786,143
Interim interest 31 March - X Shares (Net Income)	228,209	267,164
Interim interest 31 March - X Shares (Gross Accumulation)	468,247	438,754
Interim interest 31 March - P Shares (Net Income)	1,418	1,873
Interim interest 31 March - Institutional Shares W (Net Income)	1,824,036	1,083,011
Interim interest 31 March - Institutional Shares W (Net Accumulation)	393,077	184,546
Interim interest 31 March - Retail Advised Shares B (Net Income)	202	301
Interim interest 31 March - Retail Advised Shares B (Net Accumulation)	452	954
Interim interest 31 March - Exempt Shares 2 (Gross Income)	311,188	154,974
Final interest 30 June - Sterling Income Shares	914,793	1,556,845
Final interest 30 June - Exempt Shares 2 (Gross Accumulation)	863,713	909,233
Final interest 30 June - Institutional Shares (Income)	96,284	188,110
Final interest 30 June - X Shares (Net Accumulation)	713,831	576,283
Final interest 30 June - X Shares (Net Income)	228,660	244,335
Final interest 30 June - X Shares (Gross Accumulation)	333,471	413,685
Final interest 30 June - P Shares (Net Income)	0	1,749
Final interest 30 June - Institutional Shares W (Net Income)	1,238,683	1,144,859
Final interest 30 June - Institutional Shares W (Net Accumulation)	276,157	223,011
Final interest 30 June - Retail Advised Shares B (Net Income)	60	285
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	310	859
Final interest 30 June - Exempt Shares 2 (Gross Income)	283,449	173,100
Income tax withheld	4,514,222	4,229,150
	30,762,711	26,859,586
Amounts added on issue of shares	(1,330,537)	(1,077,876)
Amounts deducted on cancellation of shares	357,299	900,849
Net distributions for the year	29,789,473	26,682,559
Interest	1,362	565
Total finance costs	29,790,835	26,683,124

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	23,309,307	20,891,669
ACD's periodic charge less tax relief paid from capital	6,478,133	5,812,209
Equalisation on conversions	1,829	(21,303)
Undistributed revenue brought forward	204	188
Undistributed revenue carried forward	-	(204)
	29,789,473	26,682,559

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	10,825,506	11,459,706
Amount receivable for issue of shares	1,671,365	1,588,997
Amounts receivable on open currency contracts	26,978,097	-
Sales awaiting settlement	22,860,172	20,479,892
	62,335,140	33,528,595

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	591,305	-
Cash held in BNY Mellon Sterling Liquidity Fund	43,275,622	35,362,395
Cash held at brokers	2,441,110	1,218,119
	46,308,037	36,580,514

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	685,282	579,947
Amount payable for cancellation of shares	649,192	2,500,718
Amounts payable on open currency contracts	26,988,930	-
Income tax payable	1,839,564	2,017,625
Purchases awaiting settlement	24,861,544	27,809,069
	55,024,512	32,907,359

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £345,337. (30/06/14: £1,469,027 due to the ACD).

Notes to the Financial Statements (continued)**11 Financial instruments****Interest rate risk**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	124,168,445	183,724,447	984,400,757	1,292,293,649	4.15	7.76
Australia	15,690,148	31,679,761	242,907	47,612,816	4.95	10.24
Brazil	-	21,433,646	-	21,433,646	0.00	2.51
Canada	-	-	818,741	818,741		
China	-	716,568	16,515	733,083	10.64	0.79
Denmark	-	-	20,129,614	20,129,614		
Europe	17,333,391	111,780,906	31,238,178	160,352,475	3.51	7.83
Mexico	22,732,952	-	10,835,864	33,568,816		
New Zealand	-	34,202,624	427,151	34,629,775	4.10	3.38
Norway	-	5,834,212	30,097,105	35,931,317	3.48	2.02
Poland	-	16,602,309	627,772	17,230,081	4.93	7.24
Singapore	-	9,049,911	17,332	9,067,243	2.42	3.92
Sweden	-	3,522,650	116,537	3,639,187	5.03	4.35
United States of America	76,471,009	501,326,899	207,587,560	785,385,468	2.21	4.23
	256,395,945	919,873,933	1,286,556,033	2,462,825,911		
Liabilities						
United Kingdom	-	-	(102,651,410)	(102,651,410)		
Australia	-	-	(48,229,513)	(48,229,513)		
Brazil	-	-	(20,999,418)	(20,999,418)		
Denmark	-	-	(2,162,845)	(2,162,845)		
Europe	-	-	(222,175,689)	(222,175,689)		
Japan	-	-	(18,099,864)	(18,099,864)		
Mexico	-	-	(33,363,839)	(33,363,839)		
New Zealand	-	-	(34,119,770)	(34,119,770)		
Norway	-	-	(18,231,179)	(18,231,179)		
Poland	-	-	(18,051,058)	(18,051,058)		
Singapore	-	-	(9,318,289)	(9,318,289)		
Sweden	-	-	(3,480,641)	(3,480,641)		
Turkey	-	-	(379,050)	(379,050)		
United States of America	-	-	(713,871,561)	(713,871,561)		
	-	-	(1,245,134,126)	(1,245,134,126)		
Total	256,395,945	919,873,933	41,421,907	1,217,691,785		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Interest rate risk (continued)**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	133,134,990	205,614,699	669,520,566	1,008,270,255	4.45	4.97
Australia	14,301,475	8,125,697	3,755,543	26,182,715	9.60	5.23
Brazil	23,804,963	-	-	23,804,963		
Canada	-	46,229,594	127,514	46,357,108	1.76	3.00
China	779,645	-	21,717	801,362		
Europe	25,984,436	142,563,441	38,234,740	206,782,617	5.58	7.14
Mexico	-	7,047,881	10,350,719	17,398,600	6.50	8.00
New Zealand	-	8,365,469	100,395	8,465,864	4.13	3.00
Norway	-	6,909,694	14,811,707	21,721,401	3.65	3.00
Philippines	-	-	18,336,614	18,336,614		
Poland	-	13,622,313	321,802	13,944,115	2.50	3.94
Singapore	-	13,833,214	25,797	13,859,011	2.50	5.00
Sweden	-	10,044,467	10,185,257	20,229,724	4.94	6.78
United States of America	91,813,317	176,576,262	55,046,196	323,435,775	5.55	5.46
	289,818,826	638,932,731	820,838,567	1,749,590,124		
Liabilities						
United Kingdom	-	-	(65,621,015)	(65,621,015)		
Australia	-	-	(26,008,926)	(26,008,926)		
Brazil	-	-	(23,265,219)	(23,265,219)		
Canada	-	-	(46,302,296)	(46,302,296)		
Europe	-	-	(254,958,497)	(254,958,497)		
Mexico	-	-	(17,679,181)	(17,679,181)		
New Zealand	-	-	(8,380,750)	(8,380,750)		
Norway	-	-	(7,672,857)	(7,672,857)		
Philippines	-	-	(18,336,614)	(18,336,614)		
Singapore	-	-	(13,820,863)	(13,820,863)		
Sweden	-	-	(11,205,910)	(11,205,910)		
Turkey	-	-	(441,560)	(441,560)		
United States of America	-	-	(323,148,763)	(323,148,763)		
	-	-	(816,842,451)	(816,842,451)		
Total	289,818,826	638,932,731	3,996,116	932,747,673		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Barclays	(21,359)	(21,359)
BNY Mellon	403,907	403,907
JP Morgan	545,930	545,930
Royal Bank of Scotland	7,911,138	7,911,138
State Street Bank	16,330,196	16,330,196
UBS	(368,606)	(368,606)
	24,801,206	24,801,206

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	1,160,317,737	29,324,502	1,189,642,239	942,649,240
Australia	(859,604)	242,907	(616,697)	173,789
Brazil	434,228	-	434,228	539,744
Canada	818,741	-	818,741	54,812
China	716,568	16,515	733,083	801,362
Denmark	17,966,769	-	17,966,769	-
Europe	(66,984,475)	5,161,261	(61,823,214)	(48,175,880)
Japan	(18,099,864)	-	(18,099,864)	-
Mexico	169,148	35,829	204,977	(280,581)
New Zealand	82,854	427,151	510,005	85,114
Norway	17,594,959	105,179	17,700,138	14,048,544
Poland	(1,448,749)	627,772	(820,977)	13,944,115
Singapore	(268,378)	17,332	(251,046)	38,148
Sweden	42,009	116,537	158,546	9,023,814
Turkey	(379,050)	-	(379,050)	(441,560)
United States of America	56,732,156	14,781,751	71,513,907	287,012
Total	1,166,835,049	50,856,736	1,217,691,785	932,747,673

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		1,800,407,955		1,421,342,830
Commissions	13,652		27,796	
Taxes	<u>-</u>		<u>-</u>	
Total purchase costs		13,652		27,796
Gross purchases total		<u>1,800,421,607</u>		<u>1,421,370,626</u>
Analysis of total sales proceeds:				
Sales before transaction costs		1,501,656,378		1,105,783,468
Commissions	(10,299)		(27,456)	
Taxes	<u>-</u>		<u>-</u>	
Total sales costs		(10,299)		(27,456)
Total sales net of transaction costs		<u>1,501,646,079</u>		<u>1,105,756,012</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £175,619,125 of investments were subject to stock lending agreements and the Fund held £190,472,424 in collateral. The collateral is held 72.29% in equity and 27.71% in debt securities.

As at 30 June 2014, £32,387,240 of investments were subject to stock lending agreements and the Fund held £35,226,309 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £129,953 (30/06/14: £51,436) and £25,991 (30/06/14: £10,287).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has eleven share classes; Sterling Income Shares, Exempt Shares 2 (Gross Accumulation), Institutional Shares (Income), X Shares (Net Accumulation), X Shares (Net Income), X Shares (Gross Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation), and Exempt Shares 2 (Gross Income). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.25%	0.10%
Exempt Shares 2 (Gross Accumulation)	0.40%	0.03%
Institutional Shares (Income)	0.75%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
X Shares (Gross Accumulation)	0.00%	0.03%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	0.85%	0.10%
Retail Advised Shares B (Net Accumulation)	0.85%	0.10%
Exempt Shares 2 (Gross Income)	0.40%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 301 to 302. The distributions are given in the distribution statements on pages 313 to 316. All share classes have the same rights on winding up.

Exempt Shares 2 (Gross Accumulation), X Shares (Gross Accumulation) and Exempt Shares 2 (Gross Income) are gross paying Shares which are available only to institutional investors who are wholly exempt from UK taxation otherwise than by reason of non-residence. The ACD may pay or accumulate interest distributions without deducting income tax from them in the case of institutional investors. Any eligible investor who wishes to benefit from this should contact the ACD who will provide an appropriate form to be completed and returned to it.

BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL EQUITY FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: Newton Investment Management Limited

Fund Size: £2,233.76m

Comparative Index: MSCI World NR GBP

Sector: The Investment Association Global

Yield as at 30 June 2015:

Sterling Income Shares	0.40%
Euro Accumulation Shares	0.00%
Exempt Shares 2 (Net Accumulation)	1.34%
Exempt Shares 1 (Net Accumulation)	1.44%
X Shares (Net Accumulation)	1.92%
Exempt Shares 3 (Net Accumulation)	1.20%
Institutional Shares W (Net Income)	1.20%
Institutional Shares W (Net Accumulation)	1.20%
Retail Advised Shares B (Net Income)	0.89%
Retail Advised Shares B (Net Accumulation)	0.89%

Key Dates: Fund Launch 01 June 1987 (Managed by Newton since November 1994)

Investment Objective

The objective of the Fund is to achieve capital growth from a portfolio of international securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	11.42%	6.57%	25.20%	-7.47%	19.11%
Euro Accumulation Shares	10.41%	6.11%	24.03%	-7.49%	18.21%
Exempt Shares 2 (Net Accumulation)	12.44%	7.60%	26.84%	-6.55%	20.27%
Exempt Shares 1 (Net Accumulation)	12.55%	7.71%	26.55%	-6.47%	20.40%
X Shares (Net Accumulation)	13.12%	8.25%	27.19%	-6.00%	21.00%
Exempt Shares 3 (Net Accumulation)	12.27%	7.44%	26.23%	-6.69%	20.09%
Institutional Shares W (Net Income)*	12.27%	7.44%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	12.28%	7.45%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	11.92%	7.11%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	11.92%	7.11%	n/a	n/a	n/a
MSCI World NR GBP	9.49%	9.06%	20.54%	-4.28%	21.28%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 11.42% against a return of 9.49% from the MSCI AC World Index NR.

The Fund outperformed its comparative index over the period, helped by positive asset-allocation and stock-selection effects. The largest individual positive contribution to the Fund's gains came from US food conglomerate Kraft Foods. Its share price increased significantly during the first three months of 2015 following a bid approach by Heinz, backed by investors 3G Capital and Warren Buffett. Discount retailer Dollar General contributed positively over the period, supported by good earnings reports. Japanese retailer Don Quijote also performed well, as falling oil prices resulted in increased disposable income for consumers. The main detractors included Canada's Suncor Energy, Royal Dutch Shell and Marathon Oil, all of which suffered as the oil price slumped. Brazilian food supplier International Meal Company also underperformed.

The Fund established a new position in UK building-services company Wolseley, to take advantage of what the manager believes is an attractive valuation for a company with significant potential to grow, particularly given its US customer base. TripAdvisor, a popular holiday research website, was also added to the Fund as the introduction of new features designed to capture more business for the company is expected to prove positive for growth. A new position was initiated in Cerner, the world's largest pure-play health care information technology company. It is a beneficiary of the growth in the volume of digital data, the need for robust cost containment and evolution in the delivery of health care. New positions were also established in Discovery Communications (pay TV), Yum! Brands (owner of the KFC, Pizza Hut and Taco Bell brands), Abbott Laboratories (pharmaceuticals), DNB (a Norwegian bank) and Walgreens (pharmacies).

Positions were sold in Royal Dutch Shell and Marathon Oil on concerns that valuations do not adequately reflect a significantly lower oil price. The holding in US toy-maker Mattel was also fully sold during the period as brand turnarounds have stalled and there is limited visibility as to where earnings will bottom out. The company also lost an important piece of endorsement business to a competitor. CSX (transport), Fresenius Medical Care (dialysis), Belle (a Chinese shoe retailer) and RenaissanceRe (reinsurance) were also removed from the Fund. Following a good start to 2015, the manager took profit from the holding of global pharmaceutical company Pfizer. The company is likely to be active in reshaping its business in the next year and this will create uncertainty. Positions in Japanese retailer Don Quijote, auto part manufacturer Continental and Swiss pharmaceutical company Roche were all reduced following strong performance.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
Discovery Communications class 'A' shares	Royal Dutch Shell 'A'
Wolseley	Total
DNB	Pfizer
Google class 'A' shares	Altria
Yum! Brands	Baker Hughes
Walgreen	CSX
Trimble Navigation	Continental
Vivendi	Don Quijote
ITC	Roche
Prudential	Marathon Oil

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	83.50	66.21	0.5086
2012	80.94	71.76	0.6422
2013	98.83	79.46	0.4976
2014	107.41	92.69	0.4284
2015	119.02	105.28	0.4049
Euro Accumulation Shares	Cents	Cents	Cents
2011	86.79	69.45	0.1182
2012	91.81	77.13	0.2925
2013	106.30	88.08	0.0491
2014	123.33	100.95	-
2015	148.32	121.04	-
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	175.18	139.22	2.6084
2012	173.41	151.26	2.8744
2013	215.80	171.14	2.5018
2014	237.89	202.83	2.9869
2015	264.47	233.34	3.1989
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2011	127.74	101.55	2.0264
2012	126.57	110.36	2.2106
2013	157.23	124.56	2.2026
2014	173.51	147.80	2.3302
2015	192.95	170.20	2.5062
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	129.94	103.42	2.6375
2012	129.56	112.53	2.8357
2013	161.83	127.65	2.9390
2014	179.57	152.30	3.1916
2015	200.00	176.18	3.4900
Exempt Shares 3 (Net Accumulation)	Pence	Pence	Pence
2011	126.95	100.86	1.7168
2012	125.39	109.54	1.9151
2013	155.33	123.34	1.8521
2014	170.94	145.94	1.9342
2015	189.96	167.67	2.0429
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 21 June)	108.79	98.21	0.0630
2013 (to 23 September)	133.09	106.94	1.3261
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 3 September)	103.25	98.17	n/a
2013	126.50	101.55	1.4255
2014	137.38	118.75	1.5811
2015	152.65	134.74	1.6417

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 September)	103.25	98.17	n/a
2013	127.91	101.56	1.4261
2014	140.78	120.19	1.5974
2015	156.45	138.09	1.6826
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 8 October)	99.86	95.05	n/a
2013	122.43	98.29	0.9554
2014	133.03	114.95	1.1309
2015	147.68	130.46	1.1650
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 8 October)	99.86	95.05	n/a
2013	123.44	98.29	0.9543
2014	135.39	115.91	1.1406
2015	150.29	132.77	1.1862

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	527,970,182	92.90	568,342,561
30/06/2014	543,559,561	98.47	551,985,891
30/06/2015	597,756,076	109.30	546,918,363
Euro Accumulation Shares		Cents	
30/06/2013	12,642,725	98.00	15,053,503
30/06/2014	6,699,589	111.13	7,528,211
30/06/2015	1,695,578	139.18 **	1,719,633

**Euro/Sterling exchange rate at close of business 30 June 2015: 1.4115

Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	79,347	202.09	39,263
30/06/2014	2,751,568	217.25	1,266,547
30/06/2015	3,204,636	244.26	1,311,979
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	106,995,209	147.18	72,697,866
30/06/2014	248,085,338	158.38	156,642,438
30/06/2015	156,365,240	178.25	87,722,503
X Shares (Net Accumulation)		Pence	
30/06/2013	617,399,199	151.20	408,337,162
30/06/2014	1,113,564,454	163.52	681,002,938
30/06/2015	1,403,088,796	184.95	758,616,659
Exempt Shares 3 (Net Accumulation)		Pence	
30/06/2013	19,458,270	145.55	13,369,182
30/06/2014	39,904,933	156.23	25,543,170
30/06/2015	38,364,358	175.39	21,874,243

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
P Shares (Net Income)***		Pence	
30/06/2013	26,827	124.72	21,510
***P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)		Pence	
30/06/2013	446,298	118.42	376,862
30/06/2014	5,275,592	125.54	4,202,292
30/06/2015	18,041,073	139.30	12,951,357
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	483,995	119.86	403,808
30/06/2014	6,897,646	128.65	5,361,367
30/06/2015	14,967,227	144.44	10,362,302
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	1,400,729	114.86	1,219,519
30/06/2014	1,445,281	121.77	1,186,936
30/06/2015	273,945	135.11	202,753
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	5,791	115.80	5,001
30/06/2014	6,196	123.92	5,000
30/06/2015	6,934	138.68	5,000

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.62	1.62
Euro Accumulation Shares	2.12	2.12
Exempt Shares 2 (Net Accumulation)	0.65	0.65
Exempt Shares 1 (Net Accumulation)	0.55	0.55
X Shares (Net Accumulation)	0.05	0.05
Exempt Shares 3 (Net Accumulation)	0.80	0.80
Institutional Shares W (Net Income)	0.80	0.80
Institutional Shares W (Net Accumulation)	0.80	0.80
Retail Advised Shares B (Net Income)	1.12	1.12
Retail Advised Shares B (Net Accumulation)	1.12	1.12

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 9.34% (7.24%)			
Associated British Foods	746,484	21,431,556	0.96
British American Tobacco	1,236,744	42,228,624	1.89
Centrica	13,863,029	36,570,671	1.64
GlaxoSmithKline	1,669,718	22,082,021	0.99
Prudential	1,464,824	22,448,428	1.00
Vodafone	12,801,106	29,423,343	1.32
Wolseley	847,232	34,423,037	1.54
Canada 2.04% (3.02%)			
Intact Financial	519,071	22,836,005	1.02
Suncor Energy	1,298,769	22,728,210	1.02
United States of America 50.99% (45.19%)			
Abbott Laboratories	599,921	18,722,022	0.84
Accenture	802,645	49,382,547	2.21
Align Technology	459,783	18,333,435	0.82
Altria	972,072	30,206,116	1.35
Apple	848,017	67,627,833	3.03
Cerner	369,717	16,230,217	0.73
Citigroup	1,565,309	54,960,491	2.46
Discovery Communications class 'A' shares	1,532,727	32,404,892	1.45
Disney	653,641	47,417,754	2.12
Dollar General	954,049	47,141,317	2.11
Dun & Bradstreet	368,137	28,560,054	1.28
Eastman Chemical	447,792	23,293,612	1.04
eBay	643,198	24,632,680	1.10
EMC	1,158,071	19,432,501	0.87
Equifax	451,353	27,852,616	1.25
Express Scripts	1,023,786	57,897,582	2.59
Google class 'A' shares	134,235	46,093,297	2.06
Google class 'C' shares	68,150	22,553,590	1.01
Intuit	428,466	27,451,030	1.23
Kraft Foods class 'A' shares	542,347	29,364,054	1.31
Medtronic	850,118	40,043,710	1.79
Microsoft	2,455,414	68,930,202	3.08
Nielsen	1,078,613	30,691,125	1.37
Pfizer	1,043,806	22,240,694	1.00
PNC Financial Services	639,005	38,863,629	1.74
Principal Financial	1,210,473	39,453,708	1.77
Sprint	2,040,423	5,903,176	0.26
TJX	898,149	37,783,136	1.69
Trimble Navigation	1,387,459	20,687,934	0.93
TripAdvisor	431,917	23,931,613	1.07
United Technologies	516,142	36,392,819	1.63
Walgreens Boots Alliance	514,771	27,638,623	1.24
Willis	825,786	24,605,001	1.10
Yum! Brands	570,420	32,661,233	1.46
Brazil 0.14% (0.74%)			
International Meal Co Alimentacao	1,677,386	3,131,290	0.14

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
China 0.32% (0.45%)			
Sun Art Retail	12,442,500	7,092,535	0.32
Hong Kong 2.27% (2.00%)			
AIA	9,226,000	38,251,074	1.71
Jardine Matheson	344,200	12,398,379	0.56
India 1.24% (0.38%)			
Apollo Hospitals Enterprise	736,167	9,680,847	0.43
ITC	5,718,650	18,021,118	0.81
Japan 8.80% (9.30%)			
Don Quijote	601,000	16,270,806	0.73
Japan Tobacco	1,832,900	41,464,286	1.86
Sawai Pharmaceutical	664,600	24,554,258	1.10
Softbank	964,800	36,096,630	1.62
Sugi	687,700	22,298,749	1.00
Toyota Motor	1,307,100	55,627,505	2.49
Belgium 1.42% (1.38%)			
Anheuser-Busch InBev	416,629	31,730,512	1.42
France 3.19% (5.26%)			
Air Liquide	369,124	29,668,522	1.33
L'Oréal	173,391	19,654,666	0.88
Vivendi	1,362,099	21,833,150	0.98
Germany 5.56% (6.33%)			
Bayer (Regd.)	561,898	50,138,897	2.24
Brenntag	671,136	24,544,131	1.10
Continental	126,183	18,996,733	0.85
Rocket Internet	81,499	2,292,827	0.10
SAP	636,554	28,289,786	1.27
Israel 1.04% (0.80%)			
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	619,821	23,296,000	1.04
Netherlands 2.16% (4.53%)			
Reed Elsevier	1,823,096	27,478,830	1.23
Wolters Kluwer	1,096,348	20,695,851	0.93
Norway 1.11% (0.00%)			
DNB	2,347,774	24,780,721	1.11
Sweden 0.99% (1.24%)			
TeliaSonera	5,889,019	22,022,532	0.99
Switzerland 6.01% (8.07%)			
Actelion	174,721	16,261,963	0.73
Nestlé	751,180	34,497,653	1.54
Novartis	788,134	49,412,538	2.21
Roche	192,107	34,244,138	1.53

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Portfolio of investments		2,158,283,065	96.62
Net current assets		75,480,798	3.38
Total Net Assets		2,233,763,863	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Australia and Singapore portfolio category, which, at 30 June 2014, represented 0.92% and 0.94% respectively of the Total Net Assets of the Fund.

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

ADR = American Depositary Receipt

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		237,134,255		90,824,630
Revenue	2	48,772,925		40,957,774	
Expenses	3	(11,608,784)		(10,573,661)	
Finance costs: Interest	5	(937)		-	
Net revenue before taxation		37,163,204		30,384,113	
Taxation	4	(4,087,171)		(3,329,581)	
Net revenue after taxation			33,076,033		27,054,532
Total return before distributions			270,210,288		117,879,162
Finance costs: Distributions	5		(33,109,266)		(27,089,982)
Change in net assets attributable to Shareholders from investment activities			237,101,022		90,789,180

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		1,968,190,158		1,286,908,572
Transfer of Assets from:				
Newton Overseas Equity Fund (on 15 February 2014)		-		224,759,484
Amounts receivable on issue of shares	342,854,790		496,468,530	
Amounts payable on cancellation of shares	(343,853,195)		(157,398,398)	
		(998,405)		339,070,132
Dilution adjustment		146,631		690,427
Stamp Duty Reserve Tax		(13,135)		(31,386)
Change in net assets attributable to Shareholders from investment activities (see above)		237,101,022		90,789,180
Retained distributions on accumulation shares		29,337,644		26,002,558
Unclaimed distributions		(52)		1,191
Closing net assets attributable to Shareholders		2,233,763,863		1,968,190,158

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			2,158,283,065		1,924,723,030
Debtors	7	12,993,031		15,209,491	
Cash and bank balances	8	<u>68,421,896</u>		<u>43,921,829</u>	
Total other assets			<u>81,414,927</u>		<u>59,131,320</u>
Total assets			2,239,697,992		1,983,854,350
LIABILITIES					
Creditors	9	(3,504,744)		(13,219,619)	
Distribution payable on income shares		<u>(2,429,385)</u>		<u>(2,444,573)</u>	
Total other liabilities			<u>(5,934,129)</u>		<u>(15,664,192)</u>
Total liabilities			(5,934,129)		(15,664,192)
Net assets attributable to Shareholders			<u>2,233,763,863</u>		<u>1,968,190,158</u>

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.4499	0.0450	0.4049	0.0000	0.4049	0.4284
Group 2	0.3572	0.0357	0.3215	0.0834	0.4049	0.4284
Exempt Shares 2 (Net Accumulation)						
Group 1	3.5543	0.3554	3.1989	0.0000	3.1989	2.9869
Group 2	2.4250	0.2425	2.1825	1.0164	3.1989	2.9869
Exempt Shares 1 (Net Accumulation)						
Group 1	2.7847	0.2785	2.5062	0.0000	2.5062	2.3302
Group 2	1.5754	0.1575	1.4179	1.0883	2.5062	2.3302
X Shares (Net Accumulation)						
Group 1	3.8778	0.3878	3.4900	0.0000	3.4900	3.1916
Group 2	3.5372	0.3537	3.1835	0.3065	3.4900	3.1916
Exempt Shares 3 (Net Accumulation)						
Group 1	2.2699	0.2270	2.0429	0.0000	2.0429	1.9342
Group 2	1.5326	0.1533	1.3793	0.6636	2.0429	1.9342
Institutional Shares W (Net Income)						
Group 1	1.8241	0.1824	1.6417	0.0000	1.6417	1.5811
Group 2	1.2237	0.1224	1.1013	0.5404	1.6417	1.5811
Institutional Shares W (Net Accumulation)						
Group 1	1.8696	0.1870	1.6826	0.0000	1.6826	1.5974
Group 2	1.1361	0.1136	1.0225	0.6601	1.6826	1.5974
Retail Advised Shares B (Net Income)						
Group 1	1.2944	0.1294	1.1650	0.0000	1.1650	1.1309
Group 2	1.0439	0.1044	0.9395	0.2255	1.1650	1.1309
Retail Advised Shares B (Net Accumulation)						
Group 1	1.3180	0.1318	1.1862	0.0000	1.1862	1.1406
Group 2	1.3180	0.1318	1.1862	0.0000	1.1862	1.1406

Final dividend distribution in cents per Share

Euro Accumulation Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The distributions of all share classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	235,426,169	95,820,543
Gains/(losses) on forward currency contracts	2,813,890	(5,221,963)
Currency exchange (losses)/gains	(1,027,650)	239,672
Activity charges	(78,154)	(13,622)
Net capital gains	237,134,255	90,824,630

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	143,396	119,714
Overseas dividends	41,644,974	34,449,196
Stock dividends	69,112	-
Stock lending	174,566	287,914
UK dividends	6,740,877	6,100,950
Total revenue	48,772,925	40,957,774

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	10,204,972	9,381,527
Administration fees	1,085,338	906,744
Registrar's disbursement fees	1,648	1,606
Safe custody charges	250,607	210,887
	11,542,565	10,500,764
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	-	5
	59,400	59,405
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,531	7,320
- Non-audit services (tax compliance fee)†	-	2,749
Financial Conduct Authority fee	288	287
Expenses associated with making tax reclaims	-	3,136
	6,819	13,492
Total expenses	11,608,784	10,573,661

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,200 (2014: £6,100) and £nil (2014: £2,290) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Income tax expense	-	-
	-	-
Overseas tax withheld	4,087,171	3,333,999
Repayment of French withholding tax	-	(4,418)
Total current tax charge (see note 4b)	4,087,171	3,329,581

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	37,163,204	30,384,113
Corporation tax @ 20%	7,432,641	6,076,823
Effects of:		
Dividends not subject to corporation tax	(9,574,913)	(8,110,030)
Excess management expenses	2,156,094	2,033,207
Non taxable stock dividends	(13,822)	-
Repayment of French withholding tax	-	(4,418)
Overseas tax withheld	4,087,171	3,333,999
Total current tax charge (see note 4a)	4,087,171	3,329,581

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £54,645,422 (30/06/14: £43,864,950), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £10,929,084 (30/06/14: £8,772,990). The prior year figures for excess management expenses and deferred tax asset not recognised have been updated, this is only a disclosure change and has no impact on the NAV/Distributions.

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	2,214,407	2,364,708
Final dividend 30 June - Euro Accumulation Shares	-	-
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	41,969	37,831
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	2,198,486	3,650,082
Final dividend 30 June - X Shares (Net Accumulation)	26,475,914	21,734,890
Final dividend 30 June - Exempt Shares 3 (Net Accumulation)	446,860	494,056
Final dividend 30 June - Institutional Shares W (Net Income)	212,616	66,442
Final dividend 30 June - Institutional Shares W (Net Accumulation)	174,356	85,642
Final dividend 30 June - Retail Advised Shares B (Net Income)	2,362	13,423
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	59	57
	31,767,029	28,447,131
Amounts added on issue of shares	(645,222)	(2,340,871)
Amounts deducted on cancellation of shares	1,987,459	983,722
Net distributions for the year	33,109,266	27,089,982
Interest	937	-
Total finance costs	33,110,203	27,089,982

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	33,076,033	27,054,532
Equalisation on conversions	30,448	(1,118)
Transfer from capital for deficit on Euro Accumulation share class	2,024	36,926
Undistributed revenue brought forward	761	403
Undistributed revenue carried forward	-	(761)
	<u>33,109,266</u>	<u>27,089,982</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	3,165,892	2,709,502
Amount receivable for issue of shares	376,932	225,351
Amount due from Newton Overseas Equity to Newton Global Equity	-	3,436
Amounts receivable on open currency contracts	1,804,009	-
Overseas tax recoverable	2,496,522	1,684,023
Sales awaiting settlement	5,149,676	10,587,179
	<u>12,993,031</u>	<u>15,209,491</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	1,443,363	25,302,698
Cash held in BNY Mellon Sterling Liquidity Fund	66,978,533	18,619,131
	<u>68,421,896</u>	<u>43,921,829</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	1,134,597	1,000,509
Amount payable for cancellation of shares	571,670	3,282,618
Amounts payable on open currency contracts	1,798,477	-
Purchases awaiting settlement	-	8,936,492
	<u>3,504,744</u>	<u>13,219,619</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £1,269,198 (30/06/14: £4,024,681).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	208,607,676	66,391,197	274,998,873	180,388,534
Australia	-	-	-	18,100,715
Brazil	3,131,290	-	3,131,290	14,590,146
Canada	45,564,214	-	45,564,214	59,260,069
Europe	275,323,899	376,082	275,699,981	330,494,860
Hong Kong	45,343,608	-	45,343,608	48,334,098
India	27,701,964	356,882	28,058,846	7,533,904
Japan	196,312,232	505,044	196,817,276	183,418,255
Norway	24,780,720	108,155	24,888,875	-
Sweden	22,022,532	-	22,022,532	24,307,815
Switzerland	134,416,292	1,580,987	135,997,279	159,899,147
Taiwan	-	30,886	30,886	1,821
United States of America	1,175,078,638	6,131,565	1,181,210,203	941,860,794
Total	2,158,283,065	75,480,798	2,233,763,863	1,968,190,158

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		762,881,067		1,073,248,144
Commissions	378,143		391,643	
Taxes	<u>298,941</u>		<u>466,780</u>	
Total purchase costs		677,084		858,423
Gross purchases total		<u>763,558,151</u>		<u>1,074,106,567</u>
Analysis of total sales proceeds:				
Sales before transaction costs		767,837,372		497,330,817
Commissions	(508,994)		(429,791)	
Taxes	<u>(39,349)</u>		<u>(33,515)</u>	
Total sales costs		(548,343)		(463,306)
Total sales net of transaction costs		<u>767,289,029</u>		<u>496,867,511</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 £84,393,865 of investments were subject to stock lending agreements and the Fund held £92,987,543 in collateral. The collateral is held in 84.05% in Equity and 15.95% in debt securities.

As at 30 June 2014 £8,571,197 of investments were subject to stock lending agreements and the Fund held £9,008,034 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £218,208 (30/06/14: £359,893) and £43,642 (30/06/14: £71,979).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Euro Accumulation Shares, Exempt Shares 2 (Net Accumulation), Exempt Shares 1 (Net Accumulation), X Shares (Net Accumulation), Exempt Shares 3 (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Euro Accumulation Shares	2.00%	0.10%
Exempt Shares 2 (Net Accumulation)	0.60%	0.03%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Exempt Shares 3 (Net Accumulation)	0.75%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 330 to 331. The distribution is given in the distribution statement on page 337. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL HIGH YIELD BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£163.98m
Comparative Index:	BofA Merrill Lynch Glo HY ex Bnk Cap & Jr Sub (GBP Hedged)
Sector:	The Investment Association £ High Yield
Distribution Yield as at 30 June 2015:	
Sterling Income Shares	5.99%
X Shares (Net Accumulation)	6.07%
X Shares (Net Income)	6.07%
Institutional Shares W (Net Income)	6.07%
Institutional Shares W (Net Accumulation)	6.07%
Retail Advised Shares B (Net Income)	5.99%
Retail Advised Shares B (Net Accumulation)	6.01%
P Shares (Net Accumulation)	6.06%
Key Dates: Fund Launch	02 October 2000

Investment Objective

The objective of the Fund is to achieve a high yield from a globally diversified portfolio which may include but is not limited to fixed interest bonds and other debt instruments (such as floating rate notes and index-linked notes). At least 80% of the Fund's assets should be in Sterling denominated assets or hedged back to Sterling.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	-4.42%	8.48%	11.90%	-1.10%	9.89%
X Shares (Net Accumulation)	-3.32%	9.64%	13.08%	-0.05%	11.10%
X Shares (Net Income)*	-3.36%	9.64%	13.07%	-0.04%	n/a
Institutional Shares W (Net Income)*	-3.87%	9.08%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-3.88%	9.10%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-4.15%	8.75%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-4.17%	8.76%	n/a	n/a	n/a
P Shares (Net Accumulation)*	-4.69%	8.54%	n/a	n/a	n/a
BofA Merrill Lynch Glo HY ex Bnk Cap & Jr Sub TR (GBP Hedged)	-0.07%	12.00%	10.05%	6.44%	14.49%

Source: Lipper as at 30 June 2015. Total return, including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned -4.42% against -0.07% from the Bank of America Merrill Lynch Global High Yield excluding Bank Capital & Junior Subordinated GBP (Hedged) Index TR.

The Fund generated a negative return during the review period, underperforming its comparative index. Currency and country allocation contributed to the lacklustre performance, particularly in the most recent three months. An 8% exposure to the US dollar proved negative, as the US currency depreciated against sterling (the Fund's base currency) in the aftermath of the UK's May general election. Encouraging data from the US, UK and Europe gave the impression that developed central banks would be able to begin raising interest rates late in 2015, which drove yields higher despite the heightening Greek crisis. Earlier in the period, geopolitical conflict in Ukraine had a similarly suppressing effect on high-yield bond prices. Corporate bonds in the energy sector proved volatile in the winter months as the oil price halved from levels six-months prior. However, growing stability in commodity prices relieved some of this pressure as 2015 began.

The Fund participated in a number of primary issues across a range of countries and sectors during the review period. Additions to the Fund in 2015 included: investment-grade German media company Bertelsmann, US packaging firm Ball Corp, Swiss telecoms business Matterhorn, US healthcare firm Community Health, steel manufacturer ArcelorMittal, Netherlands cable operator Ziggo and Merlin Entertainments. Those additions followed a busy first half in which the manager added Burger King, Atradius, Pizza Express and Nigerian telecoms firm Helios Towers. (Investment grade is debt issued by companies that is rated BBB and above by the credit rating agency Standard & Poor's.) The Fund also added exposure to Australian government bonds, establishing a position in the AAA State of Victoria bond on the manager's view that the Australian Central Bank could cut interest rates. In the secondary market, notable additions came from the energy sector once the oil price showed signs of stabilising; these included EP Energy, Range Resources, Petrobas and Australian mining firm FMG. Despite those additions, the Fund remains underweight in the energy sector relative to its comparative index. Sales activity during the 12 months was no less busy, with the Fund exiting positions in Telecom Italia, Russian steel producer Evraz, logistics firm Algeco Scotsman, Mexican copper miner Cobre Del Mayo, German printing-equipment manufacturer Heidelberger Druckmaschinen, Quiksilver, Turk Telecom and Origin Energy. In the emerging-market sovereign space, the Fund exited its position in the short-dated (February 2016) Venezuelan bond, owing to concerns over a sovereign restructuring, and also redeemed Macedonia, Gabon and Ecuador on the belief that they had become expensive.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
US Treasury 2.875% Notes 15/5/2043	Ziggo 8% Bonds 15/5/2018
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	US Treasury 2.875% Notes 15/5/2043
Play Finance 2 5.25% Senior Notes 1/2/2019	Telemovil Finance 8% Bonds 1/10/2017
LGE HoldCo 7.125% Notes 15/5/2024	Wind Acquisition Finance 7% Bonds 23/4/2021
Matterhorn Telecom 3.652% Bonds 1/5/2022	Catalent Pharma Solution 9.75% Bonds 15/4/2017
Jaguar Land Rover 3.5% Senior Bonds 15/3/2020	Matterhorn Mobile 6.75% Bonds 15/5/2019
Unitymedia Hessen 6.25% Guaranteed Senior Notes 15/1/2029	Nara Cable 8.875% Bonds 1/12/2018
PizzaExpress 8.625% Bonds 1/8/2022	Sunrise Communications International 7.00% Bonds 31/12/2017
Origin Energy Finance 4% Bonds 16/9/2074	Drill Rigs 6.50% Bonds 1/10/2017
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	House of Fraser Funding 8.875% Bonds 15/8/2018

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	69.22	55.83	4.2829
2012	66.77	58.34	3.9294
2013	68.14	64.78	3.5808
2014	67.69	60.87	3.4371
2015	63.08	61.10	1.4879
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	90.59	75.78	5.7367
2012	99.00	80.88	5.6873
2013	105.73	99.16	5.5554
2014	110.32	102.58	5.6984
2015	108.57	103.59	2.5853
X Shares (Net Income)	Pence	Pence	Pence
2011 (from 25 May)	90.31	74.01	3.4252
2012	89.63	77.54	5.2954
2013	91.79	87.39	4.8800
2014	92.19	83.33	4.7445
2015	86.70	83.73	2.0665
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 3 September)	105.23	100.00	1.9385
2013	107.57	102.34	5.7156
2014	107.45	96.85	5.5334
2015	100.56	97.26	2.4003
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 September)	106.67	100.00	1.9525
2013	113.37	106.83	5.9714
2014	118.01	109.48	6.1022
2015	115.54	110.41	2.7430
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 4 October)	102.63	99.47	1.3457
2013	104.82	99.70	5.5106
2014	104.42	94.01	5.3228
2015	97.51	94.38	2.3064
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 October)	103.47	99.47	1.3518
2013	109.64	103.48	5.7240
2014	113.96	105.59	5.8227
2015	111.28	106.43	2.6155
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 21 September)	103.17	99.39	1.5771
2013 (to 23 September)	105.28	100.10	3.9539

**P Shares (Net Income) share class closed 23 September 2013.

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
P Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 15 October)	103.37	100.00	1.2069
2013	109.34	103.29	5.7733
2014	113.54	105.11	5.4927
2015	110.29	105.53	2.6200

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	80,864,079	64.75	124,895,340
30/06/2014	76,920,167	66.89	114,997,969
30/06/2015	34,314,644	60.68	56,550,187
X Shares (Net Accumulation)		Pence	
30/06/2013	36,466,566	99.67	36,586,909
30/06/2014	97,358,217	109.51	88,901,193
30/06/2015	54,324,657	105.85	51,320,778
X Shares (Net Income)		Pence	
30/06/2013	36,110,415	87.34	41,343,205
30/06/2014	92,510,679	91.14	101,500,233
30/06/2015	40,965,317	83.54	49,038,718
Institutional Shares W (Net Income)		Pence	
30/06/2013	1,664,345	102.29	1,627,155
30/06/2014	15,600,076	106.20	14,689,120
30/06/2015	26,955,999	96.80	27,845,722
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	543,161	107.12	507,046
30/06/2014	3,597,508	117.12	3,071,607
30/06/2015	7,140,513	112.55	6,344,168
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	35,070	99.64	35,197
30/06/2014	196,691	103.20	190,597
30/06/2015	167,821	93.84	178,839
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	5,195	103.74	5,008
30/06/2014	113,061	113.08	99,980
30/06/2015	104,454	108.34	96,412
P Shares (Net Income)**		Pence	
30/06/2013	119,640	100.03	119,600

**P Shares (Net Income) share class closed 23 September 2013.

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
P Shares (Net Accumulation)		Pence	
30/06/2013	64,108	103.56	61,904
30/06/2014	69,736	112.65	61,903
30/06/2015	10,734	107.34	10,000

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.15	1.14
X Shares (Net Accumulation)	0.08	0.07
X Shares (Net Income)	0.08	0.07
Institutional Shares W (Net Income)	0.59	0.57
Institutional Shares W (Net Accumulation)	0.59	0.57
Retail Advised Shares B (Net Income)	0.90	0.89
Retail Advised Shares B (Net Accumulation)	0.90	0.89
P Shares (Net Accumulation)	1.08	1.07

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds 3.67% (1.90%)			
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 6,000,000	3,491,125	2.13
US Treasury 2.875% Notes 15/5/2043	USD 4,170,600	2,517,207	1.54
Sterling Denominated Corporate Bonds 18.78% (14.84%)			
AA Bond 5.5% Bonds 31/7/2043	£1,000,000	990,000	0.60
AA Bond 9.5% Bonds 31/7/2043	£1,041,000	1,134,128	0.69
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2020	£1,800,000	1,978,128	1.21
Boparan Finance 5.25% Bonds 15/7/2019	£1,000,000	945,610	0.58
Centrica 5.25% Subordinated European Medium Term Notes 10/4/2075	£1,000,000	975,330	0.60
Debenhams 5.25% Senior Bonds 15/7/2021	£751,000	740,719	0.45
Enterprise Inns 6.5% Guaranteed Senior Bonds 6/12/2018	£746,000	789,156	0.48
Gala Group Finance 8.875% Guaranteed Senior Notes 1/9/2018	£1,997,100	2,089,845	1.27
House of Fraser Funding 8.875% Bonds 15/8/2018	£1,876,000	1,967,061	1.20
Iron Mountain 6.125% Senior Notes 15/9/2022	£1,247,000	1,278,786	0.78
Jerrold Finco 9.75% Notes 15/9/2018	£1,255,000	1,361,675	0.83
Moy Park Bondco 6.25% Bonds 29/5/2021	£1,880,000	1,911,847	1.17
Nationwide Building Society 6.875% Perpetual Subordinated Floating Rate European Medium Term Notes	£1,000,000	987,500	0.60
Odeon & Uci Finco 9% Senior European Medium Term Notes 1/8/2018	£250,000	256,722	0.16
PizzaExpress 8.625% Bonds 1/8/2022	£1,000,000	1,054,270	0.64
Petrobras Global Finance 6.625% Guaranteed Bonds 16/1/2034	£1,700,000	1,455,778	0.89
Petrobras International 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£500,000	445,220	0.27
Priory Group No. 3 7% Senior Notes 15/2/2018	£2,197,808	2,270,599	1.38
Priory Group No. 3 8.875% European Medium Term Notes 15/2/2019	£1,450,000	1,501,257	0.92
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£700,000	635,041	0.39
Stretford 79 6.75% Bonds 15/7/2024	£300,000	259,008	0.16
Telecom Italia 6.375% Guaranteed Senior European Medium Term Notes 24/6/2019	£1,250,000	1,349,850	0.82
Tesco Property Finance 2 6.0517% Guaranteed Mortgage Backed Bonds 13/10/2039	£925,422	934,214	0.57
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£985,263	938,611	0.57
Virgin Media Finance 7% Guaranteed Senior Bonds 15/4/2023	£1,400,000	1,494,500	0.91
Virgin Media Secured Finance 6.25% Guaranteed Senior Notes 28/3/2029	£1,020,000	1,053,323	0.64
Non-Sterling Denominated Corporate Bonds 72.90% (77.96%)			
3AB Optique Development 5.625% 15/4/2019	EUR 1,408,000	942,836	0.58
Afren 11.5% Bonds 1/2/2016	USD 3,200,000	915,623	0.56
African Minerals 8.5% Bonds 10/2/2017	USD 1,600,000	25,434	0.02
Agrokor 9.125% Bonds 1/2/2020	EUR 1,250,000	965,285	0.59
Agrokor dd 8.875% Bonds 1/2/2020	USD 3,100,000	2,136,708	1.30
AK Steel 7.625% Bonds 15/5/2020	USD 2,009,000	1,063,453	0.65
Altice 6.25% Bonds 15/2/2025	EUR 500,000	335,636	0.20
Altice 7.25% Senior Notes 15/5/2022	EUR 4,090,000	2,919,359	1.78
Altice Financing 7.875% Bonds 15/12/2019	USD 2,324,000	1,555,293	0.95
Antero Resources 5.625% Bonds 1/6/2023	USD 1,500,000	921,584	0.56
Ardagh Packaging Finance 4.25% Bonds 15/1/2022	EUR 2,522,000	1,773,351	1.08
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	EUR 1,475,000	984,033	0.60
Avis Budget Car 5.25% Bonds 15/3/2025	USD 2,000,000	1,193,807	0.73
Ball 5.25% Bonds 1/7/2025	USD 1,400,000	880,174	0.54
Bertelsmann 3.5% Floating Rate European Medium Term Notes 23/4/2075	EUR 1,100,000	707,546	0.43
Boats Investments Netherlands 7.579% European Medium Term Floating Rate Notes 15/12/2015	EUR 1,455,245	5,155	0.00
Boparan Finance 4.375% Senior European Medium Term Notes 15/7/2021	EUR 3,403,000	2,205,983	1.35
Brightstar 7.25% Notes 1/8/2018	USD 2,002,000	1,346,166	0.82
Bulgarian Telecommunications 6.625% Senior Notes 15/11/2018	EUR 2,440,000	1,745,944	1.06
Bumi Investment 10.75% Bonds 6/10/2017	USD 2,200,000	377,694	0.24
Campofrio Food 3.375% Bonds 15/3/2022	EUR 1,250,000	872,184	0.53
Cemex 7.25% 15/1/2021	USD 2,600,000	1,744,465	1.06

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non-Sterling Denominated Corporate Bonds (continued)			
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY 4,000,000	282,496	0.17
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY 1,352,800	117,821	0.07
Community Health Systems 5.125% Bonds 1/8/2021	USD 1,500,000	971,657	0.59
Cirsa Funding Luxembourg 8.75% 15/5/2018	EUR 1,669,014	1,203,133	0.73
Cognor International Finance 5% Variable Convertible Bonds 1/2/2021	EUR 265,885	98,895	0.06
Cognor International Finance 7.5% Guranteed Senior Notes 1/2/2020	EUR 1,063,541	508,601	0.31
CONSOL Energy 5.875% Bonds 15/4/2022	USD 2,000,000	1,080,944	0.66
Corral Petroleum Holdings 15% Bonds 31/12/2017	EUR 1,630,991	1,158,247	0.71
Crown Euro Holdings 3.375% Senior Bonds 15/5/2025	EUR 1,102,000	721,746	0.44
Dana Gas Sukuk 9% Notes 31/10/2017	USD 900,900	469,663	0.29
Detour Gold 5.5% Bonds 30/11/2017	USD 633,000	396,707	0.24
ERC Ireland Finance 5.349% Guaranteed Subordinated Floating Rate Notes 15/8/2016	EUR 1,100,000	974	0.00
Everest Acquisition 9.375% Bonds 1/5/2020	USD 1,500,000	1,019,298	0.62
First Data 7.375% Bonds 15/6/2019	USD 1,838,000	1,214,854	0.74
First Data 11.75% Bonds 15/8/2021	USD 1,625,000	1,162,412	0.71
First Quantum Minerals 6.75% Bonds 15/2/2020	USD 894,000	549,975	0.34
First Quantum Minerals 7% Bonds 15/2/2021	USD 894,000	543,580	0.33
FMG Resources August 2006 8.25% Bonds 1/11/2019	USD 2,000,000	1,072,995	0.65
Genel Energy Finance 7.5% Bonds 14/5/2019	USD 3,200,000	1,836,048	1.12
Gestamp Funding Luxembourg 5.875% Bonds 31/5/2020	EUR 2,110,000	1,562,132	0.95
Grupo Isolux Corsan Finance 6.625% Notes 15/4/2021	USD 758,000	429,614	0.26
Helios Towers Finance 8.375% Bonds 15/7/2019	USD 2,430,000	1,313,501	0.80
Hellas Telecommunications Finance 8.835% Bonds 15/7/2015**	EUR 552,457	0	0.00
Hellas Telecommunications II 0% Subordinated Floating Rate Notes 15/1/2015	EUR 300,000	2,125	0.00
HJ Heinz 4.875% Bonds 15/2/2025	USD 2,240,000	1,550,709	0.95
IMS Health 4.125% Bonds 1/4/2023	EUR 1,500,000	1,029,607	0.63
International Game Technology 4.75% Bonds 15/2/2023	EUR 643,000	438,461	0.27
Jaguar Land Rover 3.5% Senior Bonds 15/3/2020	USD 929,000	579,628	0.35
Kerling 10.625% Senior Notes 28/1/2017	EUR 3,224,000	2,329,777	1.42
Kloekner Pentaplast of America 7.125% Bonds 1/11/2020	EUR 1,200,000	850,950	0.52
KPN Qwest 10% Convertible Notes 15/3/2012**	EUR 22,000	0	0.00
Labco SAS 8.5% Senior Notes 15/1/2018	EUR 1,432,000	1,055,104	0.64
LGE HoldCo 7.125% Notes 15/5/2024	EUR 3,319,000	2,610,053	1.59
Loxam 7.375% Euro-Zone 24/1/2020	EUR 1,265,000	943,816	0.58
Marfrig Overseas 9.5% Bonds 4/5/2020	USD 2,300,000	1,494,188	0.91
Matterhorn Telecom 3.652% Bonds 1/5/2022	CHF 3,500,000	2,264,213	1.38
Metalloinvest Finance 5.625% Bonds 17/4/2020	USD 2,668,000	1,543,765	0.94
Millicom International Cellular 6.625% Notes 15/10/2021	USD 3,830,000	2,520,538	1.54
New Red Finance 6% Bonds 1/4/2022	USD 2,995,000	1,956,738	1.19
Nielsen Finance 5% Bonds 15/4/2022	USD 2,110,000	1,314,809	0.80
Nitrogenmuvek Vegyipari 7.875% Bonds 21/5/2020	USD 1,500,000	910,759	0.56
Norcell Sweden 2 10.75% Guaranteed Bonds 29/9/2019	EUR 1,170,000	897,325	0.55
Norcell Sweden Holding 3 5.25% Bonds 4/11/2019	SEK 14,000,000	1,120,843	0.68
Numericable-SFR 5.625% Bonds 15/5/2024	EUR 7,340,000	5,245,643	3.20
Oi 5.75% Senior Bonds 10/2/2022	USD 2,600,000	1,432,091	0.87
Pershing 5.5% Bonds 15/7/2022	USD 1,082,000	690,706	0.42
Petrobras Global Finance 6.75% Bonds 27/1/2041	USD 2,000,000	1,113,664	0.68
Petrobras International 7.875% Bonds 15/3/2019	USD 1,000,000	675,405	0.41
Picard Bondco 7.75% Notes 1/2/2020	EUR 625,000	473,787	0.29
Play Finance 2 5.25% Senior Notes 1/2/2019	EUR 2,191,000	1,591,056	0.97
PSPC Escrow 6% Senior Bonds 1/2/2023	EUR 1,240,000	888,355	0.54
Range Resources 5% Bonds 15/3/2023	USD 2,000,000	1,246,264	0.76
Sabine Pass Liquefaction 5.625% Bonds 1/3/2025	USD 2,200,000	1,384,880	0.84
Sazka 9% Bonds 12/7/2021	EUR 192,197	1,362	0.00
SMCP 8.875% 15/6/2020	EUR 800,000	603,613	0.37
Sprint 7.125% Bonds 15/6/2024	USD 2,142,000	1,263,381	0.77
Sprint 7.875% Senior Notes 15/9/2023	USD 3,360,000	2,083,683	1.27

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non-Sterling Denominated Corporate Bonds (continued)			
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 3,296,000	2,038,126	1.24
Sprint Communications 9.25% Bonds 15/4/2022	USD 3,970,000	2,757,821	1.68
Takko Luxembourg 2 9.875% Bonds 15/4/2019	EUR 350,000	112,848	0.07
TDC 3.5% Variable Rate Subordinated Perpetual Bonds	EUR 1,757,000	1,194,984	0.73
Techem GmbH 6.125% Bonds 1/10/2019	EUR 1,620,000	1,199,362	0.73
Telefonica Europe 4.2% Variable Rate Subordinated Perpetual Bonds	EUR 1,400,000	1,007,905	0.61
Telenet Finance 6.75% Bonds 15/8/2024	EUR 1,850,000	1,431,414	0.87
Tenet Healthcare 6% Bonds 1/10/2020	USD 1,500,000	1,016,961	0.62
T-Mobile USA 6.464% Bonds 28/4/2019	USD 1,053,000	689,636	0.42
Total 2.625% Perpetual Floating Rate Notes	EUR 1,269,000	836,470	0.51
Tullow Oil 6% Bonds 1/11/2020	USD 2,611,000	1,504,558	0.92
United Group 7.875% Bonds 15/11/2020	EUR 2,392,000	1,783,620	1.09
United Rentals North America 5.75% Bonds 15/11/2024	USD 1,400,000	876,836	0.53
Unitymedia Hessen 6.25% Guaranteed Senior Notes 15/1/2029	EUR 2,500,000	1,988,133	1.22
Unitymedia Kabelbw 3.75% Senior Bonds 15/1/2027	EUR 1,000,000	683,131	0.42
Unitymedia Kabelbw 4% Senior Notes 15/1/2025	EUR 700,000	505,111	0.31
Valeant Pharmaceuticals International 4.5% Bonds 15/5/2023	EUR 2,366,000	1,625,961	0.99
VimpelCom 7.5043% Notes 1/3/2022	USD 3,200,000	1,988,936	1.21
Virgin Media Finance 4.5% European Medium Term Notes 15/1/2025	EUR 2,000,000	1,408,147	0.86
Virgin Media Finance 6.375% Bonds 15/4/2023	USD 2,400,000	1,577,542	0.96
Virgolino de Oliveira Finance 10.5% Bonds 28/1/2018	USD 2,200,000	13,989	0.01
Viridian Group FundCo II 7.5% Bonds 1/3/2020	EUR 500,000	352,639	0.22
Volkswagen International Finance 3.5% Perpetual Notes	EUR 1,798,000	1,171,114	0.71
Waterford Wedgwood 9.875% Senior Guaranteed Bonds 1/12/2010**	EUR 340,000	0	0.00
Wind Acquisition Finance 4% 15/7/2020	EUR 2,370,000	1,675,707	1.02
Winstar Communications 12.75% Senior Notes 15/4/2010**	EUR 400,000	0	0.00
WMG Acquisition 6.25% Bonds 15/1/2021	EUR 2,132,100	1,533,179	0.93
Ziggo Secured Finance 3.75% Notes 15/1/2025	EUR 1,659,000	1,140,332	0.71
Czech Republic 0.00% (0.00%)			
Bestsport Arena**	2,444,279	0	0.00
Bestsport Services**	340,465	0	0.00
Derivatives 3.03% (1.37%)			
AUD Forward Foreign Currency Contracts 0.16% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	AUD(7,593,540)	(3,703,234)	(2.26)
Forward Foreign Currency Contracts 13/08/15	£3,970,080	3,970,080	2.42
CHF Forward Foreign Currency Contracts 0.07% (0.04%)			
Forward Foreign Currency Contracts 13/08/15	CHF(3,538,043)	(2,411,903)	(1.47)
Forward Foreign Currency Contracts 13/08/15	£2,526,152	2,526,152	1.54
CNY Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	CNY(4,245,007)	(440,606)	(0.27)
Forward Foreign Currency Contracts 13/08/15	£445,366	445,366	0.27
DKK Forward Foreign Currency Contracts -0.09% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	DKK37,592,744	3,575,687	2.18
Forward Foreign Currency Contracts 13/08/15	£(3,730,247)	(3,730,248)	(2.27)
EUR Forward Foreign Currency Contracts 1.83% (1.00%)			
Forward Foreign Currency Contracts 13/08/15	EUR12,651,366	8,970,992	5.47
Forward Foreign Currency Contracts 13/08/15	£(9,103,663)	(9,103,663)	(5.55)
Forward Foreign Currency Contracts 13/08/15	EUR(104,789,922)	(74,305,768)	(45.31)
Forward Foreign Currency Contracts 13/08/15	£77,437,148	77,437,148	47.22

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
SEK Forward Foreign Currency Contracts 0.03% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	SEK(15,211,027)	(1,167,028)	(0.71)
Forward Foreign Currency Contracts 13/08/15	£1,207,724	1,207,724	0.74
USD Forward Foreign Currency Contracts 1.03% (0.25%)			
Forward Foreign Currency Contracts 13/08/15	USD10,403,841	6,617,273	4.03
Forward Foreign Currency Contracts 13/08/15	£(6,726,067)	(6,726,068)	(4.10)
Forward Foreign Currency Contracts 13/08/15	USD(88,905,434)	(56,547,526)	(34.48)
Forward Foreign Currency Contracts 13/08/15	£58,356,059	58,356,059	35.58
Portfolio of investments*		161,331,713	98.38
Net current assets		2,652,426	1.62
Total Net Assets		163,984,139	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Kazakhstan portfolio category, which, at 30 June 2014, represented 0.00% of the Total Net Assets of the Fund.

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt securities and equities issued by the relevant companies or issuers.

GDR = Global Depositary Receipt

*Net of investment liabilities

**Delisted/Suspended/Unlisted security.

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	3,491	2.13	0.23
AA	635	0.39	-
AA	836	0.51	-
BBB	8,785	5.36	1.71
BB	42,674	26.02	27.93
B	76,766	46.80	49.79
CCC	4,045	2.47	4.99
D	1,307	0.80	0.27
Not Rated (by S&P)	17,822	10.87	9.78
Derivatives	4,971	3.03	1.37
Portfolio of investments	161,332	98.38	96.07
Net current assets	2,652	1.62	3.93
Total Net Assets	163,984	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital (losses)/gains	1		(20,463,604)		8,660,514
Revenue	2	14,556,047		15,868,190	
Expenses	3	(865,199)		(1,043,243)	
Finance costs: Interest	5	(6,474)		(175)	
Net revenue before taxation		13,684,374		14,824,772	
Taxation	4	-		-	
Net revenue after taxation			13,684,374		14,824,772
Total return before distributions			(6,779,230)		23,485,286
Finance costs: Distributions	5		(14,373,447)		(15,662,611)
Change in net assets attributable to Shareholders from investment activities			(21,152,677)		7,822,675

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		286,366,135		155,872,579
Amounts receivable on issue of shares	32,455,599		199,716,747	
Amounts payable on cancellation of shares	(137,978,804)		(82,374,129)	
		(105,523,205)		117,342,618
Dilution adjustment		155,400		563,110
Change in net assets attributable to Shareholders from investment activities (see above)		(21,152,677)		7,822,675
Retained distributions on accumulation shares		4,137,970		4,762,619
Unclaimed distributions		516		2,534
Closing net assets attributable to Shareholders		163,984,139		286,366,135

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			161,727,740		275,439,777
Debtors	7	5,680,824		8,487,123	
Cash and bank balances	8	604,483		20,090,269	
Total other assets			6,285,307		28,577,392
Total assets			168,013,047		304,017,169
LIABILITIES					
Investment liabilities			(396,027)		(333,790)
Overdrawn cash and bank balances	8	(80,674)		(1)	
Creditors	9	(3,109,902)		(16,568,563)	
Distribution payable on income shares		(442,305)		(748,680)	
Total other liabilities			(3,632,881)		(17,317,244)
Total liabilities			(4,028,908)		(17,651,034)
Net assets attributable to Shareholders			163,984,139		286,366,135

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

	Period					
	Group 1: Shares purchased prior to 1 June 2015					
	Group 2: Shares purchased 1 June 2015 to 30 June 2015					
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.3254	0.0651	0.2603	0.0000	0.2603	0.2687
Group 2	0.2248	0.0450	0.1798	0.0805	0.2603	0.2687
X Shares (Net Accumulation)						
Group 1	0.5710	0.1142	0.4568	0.0000	0.4568	0.4428
Group 2	0.2375	0.0475	0.1900	0.2668	0.4568	0.4428
X Shares (Net Income)						
Group 1	0.4526	0.0905	0.3621	0.0000	0.3621	0.3700
Group 2	0.4240	0.0848	0.3392	0.0229	0.3621	0.3700
Institutional Shares W (Net Income)						
Group 1	0.5246	0.1049	0.4197	0.0000	0.4197	0.4312
Group 2	0.2844	0.0569	0.2275	0.1922	0.4197	0.4312
Institutional Shares W (Net Accumulation)						
Group 1	0.6074	0.1215	0.4859	0.0000	0.4859	0.4736
Group 2	0.2961	0.0592	0.2369	0.2490	0.4859	0.4736
Retail Advised Shares B (Net Income)						
Group 1	0.5031	0.1006	0.4025	0.0000	0.4025	0.4143
Group 2	0.1899	0.0380	0.1519	0.2506	0.4025	0.4143
Retail Advised Shares B (Net Accumulation)						
Group 1	0.5784	0.1157	0.4627	0.0000	0.4627	0.4522
Group 2	0.2984	0.0597	0.2387	0.2240	0.4627	0.4522
P Shares (Net Accumulation)						
Group 1	0.5791	0.1158	0.4633	0.0000	0.4633	0.4557
Group 2	0.5791	0.1158	0.4633	0.0000	0.4633	0.4557

Interim interest distribution in pence per Share

	Period					
	Group 1: Shares purchased prior to 1 May 2015					
	Group 2: Shares purchased 1 May 2015 to 31 May 2015					
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Sterling Income Shares						
Group 1	0.3085	0.0617	0.2468	0.0000	0.2468	0.2487
Group 2	0.1419	0.0284	0.1135	0.1333	0.2468	0.2487
X Shares (Net Accumulation)						
Group 1	0.5393	0.1079	0.4314	0.0000	0.4314	0.4085
Group 2	0.5393	0.1079	0.4314	0.0000	0.4314	0.4085

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 May 2015
						Group 2: Shares purchased 1 May 2015 to 31 May 2015
						Prior Period 31/05/2014
X Shares (Net Income)						
Group 1	0.4293	0.0859	0.3434	0.0000	0.3434	0.3427
Group 2	0.3065	0.0613	0.2452	0.0982	0.3434	0.3427
Institutional Shares W (Net Income)						
Group 1	0.4978	0.0996	0.3982	0.0000	0.3982	0.3996
Group 2	0.2366	0.0473	0.1893	0.2089	0.3982	0.3996
Institutional Shares W (Net Accumulation)						
Group 1	0.5738	0.1148	0.4590	0.0000	0.4590	0.4372
Group 2	0.4475	0.0895	0.3580	0.1010	0.4590	0.4372
Retail Advised Shares B (Net Income)						
Group 1	0.4769	0.0954	0.3815	0.0000	0.3815	0.3835
Group 2	0.1675	0.0335	0.1340	0.2475	0.3815	0.3835
Retail Advised Shares B (Net Accumulation)						
Group 1	0.5460	0.1092	0.4368	0.0000	0.4368	0.4170
Group 2	0.3405	0.0681	0.2724	0.1644	0.4368	0.4170
P Shares (Net Accumulation)						
Group 1	0.5470	0.1094	0.4376	0.0000	0.4376	0.4208
Group 2	0.5470	0.1094	0.4376	0.0000	0.4376	0.4208

Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 April 2015
						Prior Period 30/04/2014
Sterling Income Shares						
Group 1	0.2715	0.0543	0.2172	0.0000	0.2172	0.2870
Group 2	0.0321	0.0064	0.0257	0.1915	0.2172	0.2870
X Shares (Net Accumulation)						
Group 1	0.4733	0.0947	0.3786	0.0000	0.3786	0.4683
Group 2	0.4733	0.0947	0.3786	0.0000	0.3786	0.4683
X Shares (Net Income)						
Group 1	0.3783	0.0757	0.3026	0.0000	0.3026	0.3945
Group 2	0.2771	0.0554	0.2217	0.0809	0.3026	0.3945
Institutional Shares W (Net Income)						
Group 1	0.4388	0.0878	0.3510	0.0000	0.3510	0.4602
Group 2	0.2068	0.0414	0.1654	0.1856	0.3510	0.4602

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 April 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/04/2014
Institutional Shares W (Net Accumulation)						
Group 1	0.5043	0.1009	0.4034	0.0000	0.4034	0.5013
Group 2	0.2836	0.0567	0.2269	0.1765	0.4034	0.5013
Retail Advised Shares B (Net Income)						
Group 1	0.4200	0.0840	0.3360	0.0000	0.3360	0.4426
Group 2	0.1626	0.0325	0.1301	0.2059	0.3360	0.4426
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4793	0.0959	0.3834	0.0000	0.3834	0.4793
Group 2	0.0320	0.0064	0.0256	0.3578	0.3834	0.4793
P Shares (Net Accumulation)						
Group 1	0.4811	0.0962	0.3849	0.0000	0.3849	0.4827
Group 2	0.4811	0.0962	0.3849	0.0000	0.3849	0.4827

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 March 2015
						Group 2: Shares purchased 1 March 2015 to 31 March 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.2479	0.0496	0.1983	0.0000	0.1983	0.2978
Group 2	0.0793	0.0159	0.0634	0.1349	0.1983	0.2978
X Shares (Net Accumulation)						
Group 1	0.4305	0.0861	0.3444	0.0000	0.3444	0.4831
Group 2	0.3700	0.0740	0.2960	0.0484	0.3444	0.4831
X Shares (Net Income)						
Group 1	0.3444	0.0689	0.2755	0.0000	0.2755	0.4088
Group 2	0.2433	0.0487	0.1946	0.0809	0.2755	0.4088
Institutional Shares W (Net Income)						
Group 1	0.4000	0.0800	0.3200	0.0000	0.3200	0.4771
Group 2	0.2185	0.0437	0.1748	0.1452	0.3200	0.4771
Institutional Shares W (Net Accumulation)						
Group 1	0.4569	0.0914	0.3655	0.0000	0.3655	0.5175
Group 2	0.1658	0.0332	0.1326	0.2329	0.3655	0.5175
Retail Advised Shares B (Net Income)						
Group 1	0.3828	0.0766	0.3062	0.0000	0.3062	0.4591
Group 2	0.0916	0.0183	0.0733	0.2329	0.3062	0.4591

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 March 2015
						Group 2: Shares purchased 1 March 2015 to 31 March 2015
						Prior Period 31/03/2014
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4351	0.0870	0.3481	0.0000	0.3481	0.4948
Group 2	0.0000	0.0000	0.0000	0.3481	0.3481	0.4948
P Shares (Net Accumulation)						
Group 1	0.4375	0.0875	0.3500	0.0000	0.3500	0.4985
Group 2	0.4375	0.0875	0.3500	0.0000	0.3500	0.4985

Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 February 2015
						Group 2: Shares purchased 1 February 2015 to 28 February 2015
						Prior Period 28/02/2014
Sterling Income Shares						
Group 1	0.3089	0.0618	0.2471	0.0000	0.2471	0.2495
Group 2	0.0938	0.0188	0.0750	0.1721	0.2471	0.2495
X Shares (Net Accumulation)						
Group 1	0.5323	0.1065	0.4258	0.0000	0.4258	0.4032
Group 2	0.5323	0.1065	0.4258	0.0000	0.4258	0.4032
X Shares (Net Income)						
Group 1	0.4283	0.0857	0.3426	0.0000	0.3426	0.3425
Group 2	0.0743	0.0149	0.0594	0.2832	0.3426	0.3425
Institutional Shares W (Net Income)						
Group 1	0.4971	0.0994	0.3977	0.0000	0.3977	0.3999
Group 2	0.2646	0.0529	0.2117	0.1860	0.3977	0.3999
Institutional Shares W (Net Accumulation)						
Group 1	0.5671	0.1134	0.4537	0.0000	0.4537	0.4321
Group 2	0.3666	0.0733	0.2933	0.1604	0.4537	0.4321
Retail Advised Shares B (Net Income)						
Group 1	0.4771	0.0954	0.3817	0.0000	0.3817	0.3845
Group 2	0.1473	0.0295	0.1178	0.2639	0.3817	0.3845
Retail Advised Shares B (Net Accumulation)						
Group 1	0.5406	0.1081	0.4325	0.0000	0.4325	0.4130
Group 2	0.0739	0.0148	0.0591	0.3734	0.4325	0.4130

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 February 2015
						Group 2: Shares purchased 1 February 2015 to 28 February 2015
						Prior Period 28/02/2014
P Shares (Net Accumulation)						
Group 1	0.5418	0.1084	0.4334	0.0000	0.4334	0.4164
Group 2	0.5418	0.1084	0.4334	0.0000	0.4334	0.4164

Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 January 2015
						Prior Period 31/01/2014
Sterling Income Shares						
Group 1	0.3978	0.0796	0.3182	0.0000	0.3182	0.2673
Group 2	0.1935	0.0387	0.1548	0.1634	0.3182	0.2673
X Shares (Net Accumulation)						
Group 1	0.6854	0.1371	0.5483	0.0000	0.5483	0.4302
Group 2	0.3154	0.0631	0.2523	0.2960	0.5483	0.4302
X Shares (Net Income)						
Group 1	0.5504	0.1101	0.4403	0.0000	0.4403	0.3669
Group 2	0.2059	0.0412	0.1647	0.2756	0.4403	0.3669
Institutional Shares W (Net Income)						
Group 1	0.6421	0.1284	0.5137	0.0000	0.5137	0.4285
Group 2	0.2544	0.0509	0.2035	0.3102	0.5137	0.4285
Institutional Shares W (Net Accumulation)						
Group 1	0.7194	0.1439	0.5755	0.0000	0.5755	0.4612
Group 2	0.2891	0.0578	0.2313	0.3442	0.5755	0.4612
Retail Advised Shares B (Net Income)						
Group 1	0.6231	0.1246	0.4985	0.0000	0.4985	0.4120
Group 2	0.2454	0.0491	0.1963	0.3022	0.4985	0.4120
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6900	0.1380	0.5520	0.0000	0.5520	0.4407
Group 2	0.0890	0.0178	0.0712	0.4808	0.5520	0.4407
P Shares (Net Accumulation)						
Group 1	0.6885	0.1377	0.5508	0.0000	0.5508	0.4446
Group 2	0.6885	0.1377	0.5508	0.0000	0.5508	0.4446

Distribution Statements (continued)**Interim interest distribution in pence per Share**

	Period					
	Group 1: Shares purchased prior to 1 December 2014			Group 2: Shares purchased 1 December 2014 to 31 December 2014		
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.2529	0.0506	0.2023	0.0000	0.2023	0.2893
Group 2	0.0535	0.0107	0.0428	0.1595	0.2023	0.2893
X Shares (Net Accumulation)						
Group 1	0.5646	0.1129	0.4517	0.0000	0.4517	0.4627
Group 2	0.4490	0.0898	0.3592	0.0925	0.4517	0.4627
X Shares (Net Income)						
Group 1	0.4586	0.0917	0.3669	0.0000	0.3669	0.3964
Group 2	0.4586	0.0917	0.3669	0.0000	0.3669	0.3964
Institutional Shares W (Net Income)						
Group 1	0.4858	0.0972	0.3886	0.0000	0.3886	0.4632
Group 2	0.2175	0.0435	0.1740	0.2146	0.3886	0.4632
Institutional Shares W (Net Accumulation)						
Group 1	0.5538	0.1108	0.4430	0.0000	0.4430	0.4962
Group 2	0.2005	0.0401	0.1604	0.2826	0.4430	0.4962
Retail Advised Shares B (Net Income)						
Group 1	0.4426	0.0885	0.3541	0.0000	0.3541	0.4458
Group 2	0.0168	0.0034	0.0134	0.3407	0.3541	0.4458
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4874	0.0975	0.3899	0.0000	0.3899	0.4747
Group 2	0.0000	0.0000	0.0000	0.3899	0.3899	0.4747
P Shares (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.4786
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.4786

Interim interest distribution in pence per Share

	Period					
	Group 1: Shares purchased prior to 1 November 2014			Group 2: Shares purchased 1 November 2014 to 30 November 2014		
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/11/2013
Sterling Income Shares						
Group 1	0.3973	0.0795	0.3178	0.0000	0.3178	0.2470
Group 2	0.1709	0.0342	0.1367	0.1811	0.3178	0.2470
X Shares (Net Accumulation)						
Group 1	0.6496	0.1299	0.5197	0.0000	0.5197	0.3938
Group 2	0.2438	0.0488	0.1950	0.3247	0.5197	0.3938
X Shares (Net Income)						
Group 1	0.5305	0.1061	0.4244	0.0000	0.4244	0.3387
Group 2	0.0779	0.0156	0.0623	0.3621	0.4244	0.3387

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 November 2014
						Group 2: Shares purchased 1 November 2014 to 30 November 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/11/2013
Institutional Shares W (Net Income)						
Group 1	0.6273	0.1255	0.5018	0.0000	0.5018	0.3959
Group 2	0.3179	0.0636	0.2543	0.2475	0.5018	0.3959
Institutional Shares W (Net Accumulation)						
Group 1	0.7053	0.1411	0.5642	0.0000	0.5642	0.4225
Group 2	0.2580	0.0516	0.2064	0.3578	0.5642	0.4225
Retail Advised Shares B (Net Income)						
Group 1	0.6084	0.1217	0.4867	0.0000	0.4867	0.3805
Group 2	0.0644	0.0129	0.0515	0.4352	0.4867	0.3805
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6796	0.1359	0.5437	0.0000	0.5437	0.4037
Group 2	0.0686	0.0137	0.0549	0.4888	0.5437	0.4037
P Shares (Net Accumulation)						
Group 1	0.6886	0.1377	0.5509	0.0000	0.5509	0.4077
Group 2	0.6886	0.1377	0.5509	0.0000	0.5509	0.4077

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 October 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/10/2013
Sterling Income Shares						
Group 1	0.4310	0.0862	0.3448	0.0000	0.3448	0.2872
Group 2	0.1810	0.0362	0.1448	0.2000	0.3448	0.2872
X Shares (Net Accumulation)						
Group 1	0.7014	0.1403	0.5611	0.0000	0.5611	0.4548
Group 2	0.2989	0.0598	0.2391	0.3220	0.5611	0.4548
X Shares (Net Income)						
Group 1	0.5756	0.1151	0.4605	0.0000	0.4605	0.3928
Group 2	0.2425	0.0485	0.1940	0.2665	0.4605	0.3928
Institutional Shares W (Net Income)						
Group 1	0.6805	0.1361	0.5444	0.0000	0.5444	0.4593
Group 2	0.3060	0.0612	0.2448	0.2996	0.5444	0.4593
Institutional Shares W (Net Accumulation)						
Group 1	0.7611	0.1522	0.6089	0.0000	0.6089	0.4881
Group 2	0.3630	0.0726	0.2904	0.3185	0.6089	0.4881
Retail Advised Shares B (Net Income)						
Group 1	0.6601	0.1320	0.5281	0.0000	0.5281	0.4423
Group 2	0.1209	0.0242	0.0967	0.4314	0.5281	0.4423

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 October 2014
						Prior Period 31/10/2013
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7338	0.1468	0.5870	0.0000	0.5870	0.4672
Group 2	0.3171	0.0634	0.2537	0.3333	0.5870	0.4672
P Shares (Net Accumulation)						
Group 1	0.7429	0.1486	0.5943	0.0000	0.5943	0.4712
Group 2	0.7429	0.1486	0.5943	0.0000	0.5943	0.4712

Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 September 2014
						Group 2: Shares purchased 1 September 2014 to 30 September 2014
						Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.3743	0.0749	0.2994	0.0000	0.2994	0.2228
Group 2	0.1699	0.0340	0.1359	0.1635	0.2994	0.2228
X Shares (Net Accumulation)						
Group 1	0.6038	0.1208	0.4830	0.0000	0.4830	0.3523
Group 2	0.6038	0.1208	0.4830	0.0000	0.4830	0.3523
X Shares (Net Income)						
Group 1	0.4980	0.0996	0.3984	0.0000	0.3984	0.3053
Group 2	0.0001	0.0000	0.0001	0.3983	0.3984	0.3053
Institutional Shares W (Net Income)						
Group 1	0.5900	0.1180	0.4720	0.0000	0.4720	0.3572
Group 2	0.2656	0.0531	0.2125	0.2595	0.4720	0.3572
Institutional Shares W (Net Accumulation)						
Group 1	0.6571	0.1314	0.5257	0.0000	0.5257	0.3783
Group 2	0.3153	0.0631	0.2522	0.2735	0.5257	0.3783
Retail Advised Shares B (Net Income)						
Group 1	0.5724	0.1145	0.4579	0.0000	0.4579	0.3431
Group 2	0.1161	0.0232	0.0929	0.3650	0.4579	0.3431
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6334	0.1267	0.5067	0.0000	0.5067	0.3613
Group 2	0.2706	0.0541	0.2165	0.2902	0.5067	0.3613
P Shares (Net Accumulation)						
Group 1	0.6431	0.1286	0.5145	0.0000	0.5145	0.3653
Group 2	0.6431	0.1286	0.5145	0.0000	0.5145	0.3653

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 August 2014
						Group 2: Shares purchased 1 August 2014 to 31 August 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/08/2013
Sterling Income Shares						
Group 1	0.4140	0.0828	0.3312	0.0000	0.3312	0.3398
Group 2	0.1891	0.0378	0.1513	0.1799	0.3312	0.3398
X Shares (Net Accumulation)						
Group 1	0.6650	0.1330	0.5320	0.0000	0.5320	0.5316
Group 2	0.3201	0.0640	0.2561	0.2759	0.5320	0.5316
X Shares (Net Income)						
Group 1	0.5510	0.1102	0.4408	0.0000	0.4408	0.4632
Group 2	0.5510	0.1102	0.4408	0.0000	0.4408	0.4632
Institutional Shares W (Net Income)						
Group 1	0.6526	0.1305	0.5221	0.0000	0.5221	0.5421
Group 2	0.2908	0.0582	0.2326	0.2895	0.5221	0.5421
Institutional Shares W (Net Accumulation)						
Group 1	0.7233	0.1447	0.5786	0.0000	0.5786	0.5711
Group 2	0.3846	0.0769	0.3077	0.2709	0.5786	0.5711
Retail Advised Shares B (Net Income)						
Group 1	0.6334	0.1267	0.5067	0.0000	0.5067	0.5231
Group 2	0.0833	0.0167	0.0666	0.4401	0.5067	0.5231
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6973	0.1395	0.5578	0.0000	0.5578	0.5478
Group 2	0.0394	0.0079	0.0315	0.5263	0.5578	0.5478
P Shares (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.5301
Group 2	n/a	n/a	n/a	n/a	n/a	0.5301
P Shares (Net Accumulation)						
Group 1	0.7073	0.1415	0.5658	0.0000	0.5658	0.5517
Group 2	0.7073	0.1415	0.5658	0.0000	0.5658	0.5517

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 July 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/07/2013
Sterling Income Shares						
Group 1	0.4033	0.0807	0.3226	0.0000	0.3226	0.3818
Group 2	0.1705	0.0341	0.1364	0.1862	0.3226	0.3818
X Shares (Net Accumulation)						
Group 1	0.6435	0.1287	0.5148	0.0000	0.5148	0.5930
Group 2	0.1814	0.0363	0.1451	0.3697	0.5148	0.5930

Distribution Statements (continued)**Interim interest distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 July 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/07/2013
X Shares (Net Income)						
Group 1	0.5351	0.1070	0.4281	0.0000	0.4281	0.5195
Group 2	0.0365	0.0073	0.0292	0.3989	0.4281	0.5195
Institutional Shares W (Net Income)						
Group 1	0.6350	0.1270	0.5080	0.0000	0.5080	0.6083
Group 2	0.3096	0.0619	0.2477	0.2603	0.5080	0.6083
Institutional Shares W (Net Accumulation)						
Group 1	0.6986	0.1397	0.5589	0.0000	0.5589	0.6372
Group 2	0.3430	0.0686	0.2744	0.2845	0.5589	0.6372
Retail Advised Shares B (Net Income)						
Group 1	0.6166	0.1233	0.4933	0.0000	0.4933	0.5877
Group 2	0.0001	0.0000	0.0001	0.4932	0.4933	0.5877
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6758	0.1352	0.5406	0.0000	0.5406	0.6121
Group 2	0.0088	0.0018	0.0070	0.5336	0.5406	0.6121
P Shares (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.5939
Group 2	n/a	n/a	n/a	n/a	n/a	0.5939
P Shares (Net Accumulation)						
Group 1	0.6856	0.1371	0.5485	0.0000	0.5485	0.6159
Group 2	0.6856	0.1371	0.5485	0.0000	0.5485	0.6159

*P Shares (Net Income) share class closed 23 September 2013

Notes to the Financial Statements

1 Net capital (losses)/gains

	30/06/2015	30/06/2014
	£	£
The net capital (losses)/gains on investments during the year comprise		
Losses on non-derivative securities	(21,901,644)	(7,026,240)
Gains on forward currency contracts	5,515,717	15,797,291
Currency exchange losses	(4,032,649)	(90,155)
Activity charges	(45,028)	(20,382)
Net capital (losses)/gains	(20,463,604)	8,660,514

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	19,313	40,902
Interest on debt securities	14,520,748	15,820,619
Stock lending	15,986	6,669
Total revenue	14,556,047	15,868,190

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	688,730	837,855
Administration fees	103,821	129,933
Registrar's disbursement fees	1,931	114
Safe custody charges	30,560	30,926
	825,042	998,828
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	27,706	28,842
Distribution reconciliation service	1,979	5,063
	29,685	33,905
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,704	8,460
- Non-audit services (tax compliance fee)†	220	1,764
Financial Conduct Authority fee	278	286
Sundry expenses	2,270	-
	10,472	10,510
Total expenses	865,199	1,043,243

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £7,150 (2014: £7,050) and £nil (2014: £1,470) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	-	-
Total current tax charge (see note 4b)	-	-

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	13,684,374	14,824,772
Corporation tax @ 20%	2,736,875	2,964,954
Effects of:		
Tax deductible interest distributions	(2,736,875)	(2,964,954)
Total current tax charge (see note 4a)	-	-

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of nil (30/06/14: nil) in relation to surplus management expenses of nil (30/06/14: nil). Current period income has been set off against tax deductible interest distributions. No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim interest 31 July - Sterling Income Shares	352,062	446,823
Interim interest 31 July - X Shares (Net Accumulation)	458,613	239,724
Interim interest 31 July - X Shares (Net Income)	405,679	243,990
Interim interest 31 July - Institutional Shares W (Net Income)	82,579	12,083
Interim interest 31 July - Institutional Shares W (Net Accumulation)	18,275	5,464
Interim interest 31 July - Retail Advised Shares B (Net Income)	941	207
Interim interest 31 July - Retail Advised Shares B (Net Accumulation)	541	31
Interim interest 31 July - P Shares (Net Income)	-	31
Interim interest 31 July - P Shares (Net Accumulation)	251	381
Interim interest 31 August - Sterling Income Shares	333,896	395,070
Interim interest 31 August - X Shares (Net Accumulation)	457,911	280,388
Interim interest 31 August - X Shares (Net Income)	397,784	224,050
Interim interest 31 August - Institutional Shares W (Net Income)	91,361	12,307
Interim interest 31 August - Institutional Shares W (Net Accumulation)	23,245	5,393
Interim interest 31 August - Retail Advised Shares B (Net Income)	967	841
Interim interest 31 August - Retail Advised Shares B (Net Accumulation)	558	27
Interim interest 31 August - P Shares (Net Income)	-	28
Interim interest 31 August - P Shares (Net Accumulation)	259	342
Interim interest 30 September - Sterling Income Shares	292,877	262,386
Interim interest 30 September - X Shares (Net Accumulation)	388,799	227,556

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Interim interest 30 September - X Shares (Net Income)	326,721	159,119
Interim interest 30 September - Institutional Shares W (Net Income)	87,245	9,205
Interim interest 30 September - Institutional Shares W (Net Accumulation)	20,249	4,174
Interim interest 30 September - Retail Advised Shares B (Net Income)	875	552
Interim interest 30 September - Retail Advised Shares B (Net Accumulation)	507	18
Interim interest 30 September - P Shares (Net Accumulation)	236	226
Interim interest 31 October - Sterling Income Shares	327,609	337,877
Interim interest 31 October - X Shares (Net Accumulation)	438,438	449,437
Interim interest 31 October - X Shares (Net Income)	347,861	238,269
Interim interest 31 October - Institutional Shares W (Net Income)	104,418	15,536
Interim interest 31 October - Institutional Shares W (Net Accumulation)	24,965	6,214
Interim interest 31 October - Retail Advised Shares B (Net Income)	1,010	711
Interim interest 31 October - Retail Advised Shares B (Net Accumulation)	588	23
Interim interest 31 October - P Shares (Net Accumulation)	272	292
Interim interest 30 November - Sterling Income Shares	298,145	290,999
Interim interest 30 November - X Shares (Net Accumulation)	373,557	410,780
Interim interest 30 November - X Shares (Net Income)	295,646	260,484
Interim interest 30 November - Institutional Shares W (Net Income)	98,124	19,464
Interim interest 30 November - Institutional Shares W (Net Accumulation)	25,622	6,249
Interim interest 30 November - Retail Advised Shares B (Net Income)	931	612
Interim interest 30 November - Retail Advised Shares B (Net Accumulation)	545	20
Interim interest 30 November - P Shares (Net Accumulation)	252	252
Interim interest 31 December - Sterling Income Shares	179,687	356,809
Interim interest 31 December - X Shares (Net Accumulation)	301,047	512,080
Interim interest 31 December - X Shares (Net Income)	222,099	310,027
Interim interest 31 December - Institutional Shares W (Net Income)	77,905	24,861
Interim interest 31 December - Institutional Shares W (Net Accumulation)	20,571	8,060
Interim interest 31 December - Retail Advised Shares B (Net Income)	759	767
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	391	67
Interim interest 31 December - P Shares (Net Accumulation)	-	296
Interim interest 31 January - Sterling Income Shares	269,553	336,602
Interim interest 31 January - X Shares (Net Accumulation)	316,837	490,621
Interim interest 31 January - X Shares (Net Income)	252,023	334,323
Interim interest 31 January - Institutional Shares W (Net Income)	92,386	23,830
Interim interest 31 January - Institutional Shares W (Net Accumulation)	28,270	8,082
Interim interest 31 January - Retail Advised Shares B (Net Income)	867	687
Interim interest 31 January - Retail Advised Shares B (Net Accumulation)	553	162
Interim interest 31 January - P Shares (Net Accumulation)	55	275
Interim interest 28 February - Sterling Income Shares	204,928	311,630
Interim interest 28 February - X Shares (Net Accumulation)	244,490	430,487
Interim interest 28 February - X Shares (Net Income)	213,092	332,741
Interim interest 28 February - Institutional Shares W (Net Income)	71,442	30,060
Interim interest 28 February - Institutional Shares W (Net Accumulation)	26,064	8,199
Interim interest 28 February - Retail Advised Shares B (Net Income)	665	641
Interim interest 28 February - Retail Advised Shares B (Net Accumulation)	434	433
Interim interest 28 February - P Shares (Net Accumulation)	43	258
Interim interest 31 March - Sterling Income Shares	150,345	368,442
Interim interest 31 March - X Shares (Net Accumulation)	196,220	451,128
Interim interest 31 March - X Shares (Net Income)	155,417	381,722
Interim interest 31 March - Institutional Shares W (Net Income)	63,663	37,785
Interim interest 31 March - Institutional Shares W (Net Accumulation)	21,725	11,600
Interim interest 31 March - Retail Advised Shares B (Net Income)	534	857
Interim interest 31 March - Retail Advised Shares B (Net Accumulation)	349	494
Interim interest 31 March - P Shares (Net Accumulation)	35	309

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim interest 30 April - Sterling Income Shares	146,074	353,543
Interim interest 30 April - X Shares (Net Accumulation)	202,006	417,346
Interim interest 30 April - X Shares (Net Income)	169,092	374,040
Interim interest 30 April - Institutional Shares W (Net Income)	106,193	46,394
Interim interest 30 April - Institutional Shares W (Net Accumulation)	24,217	12,468
Interim interest 30 April - Retail Advised Shares B (Net Income)	600	777
Interim interest 30 April - Retail Advised Shares B (Net Accumulation)	385	479
Interim interest 30 April - P Shares (Net Accumulation)	38	299
Interim interest 31 May - Sterling Income Shares	159,046	286,071
Interim interest 31 May - X Shares (Net Accumulation)	225,439	350,344
Interim interest 31 May - X Shares (Net Income)	175,294	329,575
Interim interest 31 May - Institutional Shares W (Net Income)	119,180	47,801
Interim interest 31 May - Institutional Shares W (Net Accumulation)	28,905	12,529
Interim interest 31 May - Retail Advised Shares B (Net Income)	681	674
Interim interest 31 May - Retail Advised Shares B (Net Accumulation)	421	417
Interim interest 31 May - P Shares (Net Accumulation)	44	260
Final interest 30 June - Sterling Income Shares	147,179	309,000
Final interest 30 June - X Shares (Net Accumulation)	234,429	393,654
Final interest 30 June - X Shares (Net Income)	177,550	375,551
Final interest 30 June - Institutional Shares W (Net Income)	116,856	63,339
Final interest 30 June - Institutional Shares W (Net Accumulation)	30,827	14,547
Final interest 30 June - Retail Advised Shares B (Net Income)	720	790
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	446	452
Final interest 30 June - P Shares (Net Accumulation)	46	282
Income tax withheld	2,874,620	3,132,525
	14,133,151	15,865,127
Amounts added on issue of shares	(85,820)	(379,926)
Amounts deducted on cancellation of shares	326,116	177,410
Net distributions for the year	14,373,447	15,662,611
Interest	6,474	175
Total finance costs	14,379,921	15,662,786

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	13,684,374	14,824,772
ACD's periodic charge less tax relief paid from capital	688,730	837,855
Equalisation on conversions	188	111
Undistributed revenue brought forward	155	28
Undistributed revenue carried forward	-	(155)
	14,373,447	15,662,611

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	2,920,219	5,111,410
Amount receivable for issue of shares	51,499	232,006
Amounts receivable on open currency contracts	885,186	-
Sales awaiting settlement	1,823,920	3,143,707
	5,680,824	8,487,123

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held in BNY Mellon Sterling Liquidity Fund	604,483	20,090,269
	604,483	20,090,269
Overdrawn cash and bank balances		
Bank overdraft	(80,674)	(1)
	(80,674)	(1)

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	65,082	99,073
Amount payable for cancellation of shares	983,405	971,403
Amounts payable on open currency contracts	884,757	-
Income tax payable	1,176,658	1,107,085
Purchases awaiting settlement	-	14,391,002
	3,109,902	16,568,563

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £988,060. (30/06/14: £824,954).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	4,227,368	27,175,294	145,500,294	176,902,956	6.98	10.53
Australia	-	3,491,125	17,355	3,508,480	4.62	11.39
China	-	400,317	9,226	409,543	10.64	0.79
Denmark	-	-	3,575,687	3,575,687		
Europe	5,522,983	52,228,761	10,170,921	67,922,665	6.43	10.94
Sweden	-	1,120,843	37,080	1,157,923	5.03	4.35
Switzerland	-	2,264,213	16,065	2,280,278	3.81	6.84
United States of America	1,432,091	59,102,763	9,460,677	69,995,531	7.64	7.70
	11,182,442	145,783,316	168,787,305	325,753,063		
Liabilities						
United Kingdom	-	-	(22,227,427)	(22,227,427)		
Australia	-	-	(3,703,234)	(3,703,234)		
Brazil	-	-	-	-		
China	-	-	(440,606)	(440,606)		
Europe	(80,674)	-	(74,305,768)	(74,386,442)		
Sweden	-	-	(1,167,028)	(1,167,028)		
Switzerland	-	-	(2,411,903)	(2,411,903)		
United States of America	-	-	(57,432,284)	(57,432,284)		
	(80,674)	-	(161,688,250)	(161,768,924)		
Total	11,101,768	145,783,316	7,099,055	163,984,139		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	20,090,269	42,476,001	263,452,362	326,018,632	8.08	5.45
Australia	-	694,843	2,263	697,106	13.00	7.00
Brazil	2,147,816	-	-	2,147,816		
China	435,556	-	12,132	447,688		
Europe	3,379,289	115,994,895	7,982,365	127,356,549	7.89	5.03
Mexico	-	-	4,445,250	4,445,250		
New Zealand	-	-	2,971,653	2,971,653		
Norway	2,668,821	-	29,108	2,697,929		
Philippines	-	-	11,306,319	11,306,319		
Sweden	-	2,656,595	54,127	2,710,722	9.25	4.00
Switzerland	-	5,787,254	1,219,438	7,006,692	6.98	4.62
United States of America	-	94,908,359	16,778,446	111,686,805	8.05	5.54
	28,721,751	262,517,947	308,253,463	599,493,161		
Liabilities						
United Kingdom	(1)	-	(44,070,184)	(44,070,185)		
Australia	-	-	(709,888)	(709,888)		
Brazil	-	-	(2,141,353)	(2,141,353)		
China	-	-	(403,068)	(403,068)		
Europe	-	-	(128,696,540)	(128,696,540)		
Mexico	-	-	(4,445,250)	(4,445,250)		
Norway	-	-	(2,647,348)	(2,647,348)		
Philippines	-	-	(11,306,319)	(11,306,319)		
Switzerland	-	-	(6,789,429)	(6,789,429)		
United States of America	-	-	(111,917,646)	(111,917,646)		
	(1)	-	(313,127,025)	(313,127,026)		
Total	28,721,750	262,517,947	(4,873,562)	286,366,135		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Market Risk**

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
BNY Mellon	(149,801)	(149,801)
JP Morgan	(29,526)	(29,526)
Royal Bank Of Scotland	3,545,654	3,545,654
State Street	1,700,560	1,700,560
UBS	(96,450)	(96,450)
	4,970,437	4,970,437

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	155,180,731	(505,202)	154,675,529	281,948,447
Australia	(212,109)	17,355	(194,754)	(12,782)
Brazil	-	-	-	6,463
China	(40,289)	9,226	(31,063)	44,620
Danish Krone	3,575,687	-	3,575,687	-
Europe	(7,583,033)	1,119,256	(6,463,777)	(1,339,991)
New Zealand	-	-	-	2,971,653
Norway	-	-	-	50,581
Sweden	(46,185)	37,080	(9,105)	2,710,722
Switzerland	(147,690)	16,065	(131,625)	217,263
United States of America	10,604,601	1,958,646	12,563,247	(230,841)
Total	161,331,713	2,652,426	163,984,139	286,366,135

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015 £2,015,743 of investments were subject to stock lending agreements and the Fund held £2,086,771 in collateral. The collateral is held in debt securities.

As at 30 June 2014 £2,078,615 of investments were subject to stock lending agreements and the Fund held £2,182,546 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £19,983 (30/06/14: £8,336) and £3,997 (30/06/14: £1,667).

15 Shareholders' funds

The Fund currently has eight share classes; Sterling Income Shares, X Shares (Net Accumulation), X Shares (Net Income), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation) and P Shares (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.00%	0.10%
X Shares (Net Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
Institutional Shares W (Net Income)	0.50%	0.03%
Institutional Shares W (Net Accumulation)	0.50%	0.03%
Retail Advised Shares B (Net Income)	0.75%	0.10%
Retail Advised Shares B (Net Accumulation)	0.75%	0.10%
P Shares (Net Accumulation)	1.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 348 to 349. The distributions are given in the distribution statements on pages 357 to 366. All share classes have the same rights on winding up.

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL INCOME FUND
(FORMERLY NEWTON GLOBAL HIGHER INCOME FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£4,212.11m
Comparative Index:	FTSE World TR GBP
Sector:	The Investment Association Global Equity Income

Yield as at 30 June 2015:

Sterling Income Shares	3.89%
Institutional Shares (Income)	3.93%
Institutional Shares (Accumulation)	3.89%
Exempt Shares 2 (Net Income)	3.93%
X Shares (Net Accumulation)	3.89%
X Shares (Net Income)	3.91%
Sterling Accumulation Shares	3.86%
Institutional Shares W (Net Income)	3.91%
Institutional Shares W (Net Accumulation)	3.88%
Retail Advised Shares B (Net Income)	3.88%
Retail Advised Shares B (Net Accumulation)	3.85%
Exempt Shares 2 (Net Accumulation)	3.88%
U Shares (Net Income)	3.91%
U Shares (Net Accumulation)	3.87%

Key Dates: Fund Launch 30 November 2005

Investment Objective

The objective of the Fund is to achieve increasing annual distributions together with long-term capital growth from investing predominantly in global securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	4.73%	5.58%	17.09%	3.89%	20.32%
Institutional Shares (Income)	5.33%	6.18%	17.76%	4.49%	21.00%
Institutional Shares (Accumulation)	5.33%	6.18%	17.78%	4.48%	21.01%
Exempt Shares 2 (Net Income)	5.60%	6.45%	18.06%	4.74%	21.31%
X Shares (Net Accumulation)	6.39%	7.24%	18.95%	5.51%	22.18%
X Shares (Net Income)*	6.37%	7.26%	18.93%	5.51%	n/a
Sterling Accumulation Shares*	4.73%	5.58%	17.13%	n/a	n/a
Institutional Shares W (Net Income)*	5.60%	6.45%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.60%	6.45%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.25%	6.12%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.26%	6.10%	n/a	n/a	n/a
Exempt Shares 2 (Net Accumulation)*	5.60%	6.45%	n/a	n/a	n/a
U Shares (Net Income)*	5.68%	n/a	n/a	n/a	n/a
U Shares (Net Accumulation)*	5.71%	n/a	n/a	n/a	n/a
FTSE World TR GBP	9.86%	10.01%	22.13%	-3.46%	22.36%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 4.73% against a return of 9.86% for the FTSE World Index.

The Fund generated a positive return, although it underperformed its comparative index. The Fund's relative returns were negatively affected by stock selection and country allocation. Sector allocation had a positive effect, however. The underweighting of the oil & gas, basic materials and industrials sectors was beneficial, as was the overweighting of healthcare and consumer goods. At the stock level, the largest positive contributions came from the US, where tobacco firm Reynolds, consumer conglomerate Kraft Foods and software heavyweight Microsoft were the best performers. The biggest detractors were Norway's Statoil (oil & gas), the Mattel (toys) of the US and Denmark's TDC (telecommunications).

The manager established a new position in fast-food chain McDonald's, as the valuation of the stock at the time of purchase early in 2015 offered good value, particularly given the strength of the firm's balance sheet. A position was also bought in US financial-services group Western Union; the company enjoys an entrenched position in the global money transfer business, with an attractive return on capital employed. Other US-based additions to the Fund were Johnson & Johnson (consumer healthcare), Principal Financial Group (insurance), Emerson Electric (engineering), Las Vegas Sands (casinos) and power suppliers CMS Energy and Northeast Utilities (now Eversource Energy). The holdings were sold in Singapore Technologies, Deutsche Telekom, CRH and Pfizer for valuation reasons. The manager also sold out of Cable & Wireless, ICAP and Statoil, and sold the holding in Tesco.

With effect from 1 April 2015 the name of the fund changed from Newton Global Higher Income Fund to Newton Global Income Fund.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases

Johnson & Johnson
Imperial Tobacco
CMS Energy
Cobham
Las Vegas Sands
Mcdonald's
Sanofi
Western Union
Ahold
Centrica

Sales

Pfizer
ConocoPhillips
Deutsche Post
Statoil
Deutsche Telekom
Lockheed Martin
Balfour Beatty
CRH
SES
MTN

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	130.42	111.11	5.8884
2012	133.20	121.74	5.7863
2013	152.74	130.17	5.8240
2014	151.11	135.50	5.7032
2015	160.63	146.14	3.5076
Institutional Shares (Income)	Pence	Pence	Pence
2011	134.10	114.35	6.1414
2012	137.79	125.78	6.0721
2013	158.61	134.90	6.1578
2014	158.12	141.19	6.0536
2015	168.39	153.38	3.7130
Institutional Shares (Accumulation)	Pence	Pence	Pence
2011	171.03	147.58	7.8299
2012	188.12	166.52	8.1222
2013	220.34	185.70	8.6065
2014	234.65	202.64	8.8108
2015	253.44	230.47	5.5544
Exempt Shares 2 (Net Income)	Pence	Pence	Pence
2011	135.68	115.76	6.2142
2012	139.87	127.58	6.1586
2013	161.29	137.05	6.2774
2014	161.43	143.83	6.1775
2015	172.06	156.81	3.7870
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	166.07	143.42	7.5326
2012	184.91	162.49	7.9258
2013	217.91	182.95	8.5142
2014	235.64	201.81	8.8269
2015	255.34	231.61	5.6361
X Shares (Net Income)	Pence	Pence	Pence
2011	110.60	94.50	5.0324
2012	115.19	104.75	5.0315
2013	133.45	113.07	5.1905
2014	135.09	119.63	5.1571
2015	144.34	131.78	3.1805
Sterling Accumulation Shares	Pence	Pence	Pence
2012 (from 13 March)	105.63	93.99	3.7931
2013	123.29	104.13	4.7296
2014	130.15	112.93	4.8195
2015	140.29	127.63	3.0533
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 September)	102.20	97.81	1.0379
2013	117.85	100.14	4.5823
2014	117.95	105.10	4.5122
2015	125.72	114.58	2.7571

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 September)	102.45	98.05	1.0419
2013	120.19	101.20	4.7065
2014	128.51	110.74	4.8237
2015	138.93	126.25	3.0390
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 21 September)	101.24	96.86	0.8962
2013 (to 23 September)	116.56	99.14	2.8287
**P Shares (Net Income) share class closed 23 September 2013.			
P Shares (Net Accumulation)***	Pence	Pence	Pence
2012 (from 3 October)	100.92	96.56	0.7321
2013 (to 26 July)	118.21	99.62	2.8575
***P Shares (Net Accumulations) share class closed 26 July 2013.			
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 1 October)	101.42	97.03	0.7719
2013	116.74	99.31	4.4615
2014	116.40	103.94	4.3846
2015	123.96	112.89	2.7031
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 1 October)	101.42	97.03	0.7719
2013	118.74	100.09	4.5657
2014	126.32	109.15	4.6722
2015	136.40	124.06	2.9649
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2013 (from 14 February)	110.70	99.77	4.3201
2014	118.35	101.99	4.4409
2015	127.94	116.27	2.7986
U Shares (Net Income)	Pence	Pence	Pence
2014 (from 20 May)	105.17	94.73	3.2887
2015	112.13	102.21	2.4463
U Shares (Net Accumulation)	Pence	Pence	Pence
2014 (from 20 May)	107.93	97.22	3.3229
2015	116.73	106.04	2.5325

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	1,896,306,885	140.78	1,346,975,201
30/06/2014	1,441,525,755	142.02	1,014,994,625
30/06/2015	1,030,111,599	142.61	722,334,401

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares (Income)			
30/06/2013	494,375,606	Pence 146.25	338,027,982
30/06/2014	421,756,833	148.27	284,449,670
30/06/2015	250,355,247	149.66	167,283,556
Institutional Shares (Accumulation)			
30/06/2013	222,794,843	Pence 206.62	107,828,574
30/06/2014	193,416,096	218.28	88,608,604
30/06/2015	155,842,103	229.05	68,038,865
Exempt Shares 2 (Net Income)			
30/06/2013	25,544,731	Pence 148.77	17,170,787
30/06/2014	48,910,669	151.20	32,349,137
30/06/2015	27,295,466	153.02	17,838,014
X Shares (Net Accumulation)			
30/06/2013	102,565,587	Pence 204.55	50,142,415
30/06/2014	184,498,930	218.25	84,534,771
30/06/2015	141,409,262	231.33	61,128,884
X Shares (Net Income)			
30/06/2013	181,681,344	Pence 123.19	147,483,560
30/06/2014	212,966,225	126.13	168,848,143
30/06/2015	209,278,814	128.59	162,744,359
Sterling Accumulation Shares			
30/06/2013	114,407,801	Pence 115.54	99,016,827
30/06/2014	89,019,563	121.37	73,344,797
30/06/2015	71,365,023	126.63	56,355,736
Institutional Shares W (Net Income)			
30/06/2013	829,087,339	Pence 108.70	762,701,811
30/06/2014	1,273,347,945	110.48	1,152,610,310
30/06/2015	1,658,851,818	111.83	1,483,425,152
Institutional Shares W (Net Accumulation)			
30/06/2013	75,650,292	Pence 112.74	67,099,215
30/06/2014	286,573,572	119.41	239,994,704
30/06/2015	456,380,177	125.63	363,287,200
P Shares (Net Income)**			
30/06/2013	458,377	Pence 107.48	426,471
**P Shares (Net Income) share class closed 23 September 2013.			
P Shares (Net Accumulation)***			
30/06/2013	486,914	Pence 110.84	439,277
***P Shares (Net Accumulations) share class closed 26 July 2013.			
Retail Advised Shares B (Net Income)			
30/06/2013	3,108,991	Pence 107.67	2,887,458
30/06/2014	2,774,522	109.16	2,541,692
30/06/2015	2,542,763	110.17	2,308,094

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Retail Advised Shares B (Net Accumulation)			
30/06/2013	701,639	111.34	630,180
30/06/2014	1,425,690	117.54	1,212,905
30/06/2015	1,920,479	123.24	1,558,309
Exempt Shares 2 (Net Accumulation)			
30/06/2013	56,381,872	103.84	54,298,365
30/06/2014	59,713,149	109.97	54,298,365
30/06/2015	87,751,116	115.69	75,850,800
U Shares (Net Income)			
30/06/2014	4,922	98.44	5,000
30/06/2015	117,214,116	99.78	117,474,587
U Shares (Net Accumulation)			
30/06/2014	5,011	100.22	5,000
30/06/2015	1,793,008	105.57	1,698,396

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.61	1.62
Institutional Shares (Income)	1.04	1.05
Institutional Shares (Accumulation)	1.04	1.05
Exempt Shares 2 (Net Income)	0.79	0.80
X Shares (Net Accumulation)	0.04	0.05
X Shares (Net Income)	0.04	0.05
Sterling Accumulation Shares	1.61	1.62
Institutional Shares W (Net Income)	0.79	0.80
Institutional Shares W (Net Accumulation)	0.79	0.80
Retail Advised Shares B (Net Income)	1.11	1.12
Retail Advised Shares B (Net Accumulation)	1.11	1.12
Exempt Shares 2 (Net Accumulation)	0.79	0.80
U Shares (Net Income)	0.70	0.72
U Shares (Net Accumulation)	0.70	0.72

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 15.08% (14.14%)			
BAE Systems	9,532,144	43,009,034	1.02
Centrica	49,195,764	129,778,425	3.08
Cobham	19,500,000	51,285,000	1.22
GlaxoSmithKline	9,052,020	119,712,965	2.84
Imperial Tobacco	2,700,000	82,782,000	1.97
Royal Mail	4,400,000	22,616,000	0.54
SSE	5,925,000	91,008,000	2.16
Vodafone	41,324,440	94,984,225	2.25
United States of America 51.60% (43.27%)			
Annaly Capital Management	6,817,331	39,836,760	0.95
CA	4,863,531	90,547,585	2.15
Cisco Systems	5,100,000	89,015,705	2.11
Clorox	1,285,000	84,983,055	2.02
CMS Energy	3,200,000	64,805,748	1.54
Emerson Electric	1,150,000	40,524,576	0.96
Eversource Energy	3,750,000	108,253,322	2.57
Johnson & Johnson	1,400,000	86,713,296	2.06
Kraft Foods	1,200,000	64,971,069	1.54
Las Vegas Sands	1,475,873	49,314,635	1.17
Mattel	3,814,534	62,286,026	1.48
McDonald's	900,000	54,393,718	1.29
Merck & Co	2,430,000	87,916,958	2.09
Microsoft	8,250,000	231,600,114	5.50
Paychex	2,853,354	85,018,229	2.02
Philip Morris International	4,200,000	214,019,203	5.08
Principal Financial	1,300,000	42,371,717	1.01
Procter & Gamble	1,750,000	87,015,960	2.07
Reynolds American	5,885,000	279,263,401	6.63
Sysco	5,770,385	132,380,931	3.14
Two Harbors	6,484,709	40,202,145	0.95
Verizon Communications	2,754,963	81,666,163	1.94
Western Union	4,350,000	56,176,321	1.33
Australia 1.06% (1.02%)			
Dexus Property	12,500,000	44,594,859	1.06
Hong Kong 1.22% (1.08%)			
Link Real Estate Investment Trust	13,834,000	51,399,038	1.22
Italy 0.95% (0.00%)			
Atlantia	2,550,000	40,034,006	0.95
South Korea 1.05% (0.85%)			
Macquarie Korea Infrastructure Fund	9,600,000	44,052,556	1.05
Thailand 0.82% (0.99%)			
Bangkok Bank	10,323,400	34,593,565	0.82
Denmark 2.07% (2.24%)			
TDC	18,694,390	87,118,694	2.07
France 5.40% (6.11%)			
Sanofi	2,170,000	135,657,669	3.22
Suez Environnement	3,800,000	44,905,420	1.06
Total	1,527,000	47,135,239	1.12

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Netherlands 7.64% (6.35%)			
Ahold	4,345,000	51,715,197	1.23
Reed Elsevier	6,400,000	96,464,754	2.29
Royal Dutch Shell class 'A' Shares	4,365,000	78,440,117	1.86
Wolters Kluwer	5,049,001	95,310,401	2.26
Norway 2.13% (4.49%)			
Orkla	18,000,000	89,757,785	2.13
Sweden 1.95% (1.87%)			
TeliaSonera	22,000,000	82,271,036	1.95
Switzerland 9.94% (9.66%)			
Nestlé	1,035,035	47,533,584	1.13
Novartis	2,035,000	127,585,556	3.03
Roche	709,000	126,383,181	3.00
Zurich Financial Services	605,000	117,106,069	2.78
Derivatives -0.35% (0.01%)			
JPY Forward Foreign Currency Contracts -0.35% (-0.03%)			
Forward Foreign Currency contracts 14/08/15	¥49,937,979,401	259,709,154	6.17
Forward Foreign Currency contracts 14/08/15	£(274,589,071)	(274,589,071)	(6.52)
Portfolio of investments*		4,235,631,095	100.56
Net current liabilities		(23,520,104)	(0.56)
Total Net Assets		4,212,110,991	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Canada, Brazil, Singapore, South Africa, Germany and Ireland categories, which, at 30 June 2014, represented 0.98%, 1.17%, 0.94%, 1.00%, 3.56% and 0.51% respectively of the Total Net Assets of the Fund.

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

*Net of investment liabilities

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		88,754,444		92,421,765
Revenue	2	185,678,632		184,680,586	
Expenses	3	(44,729,970)		(47,529,488)	
Finance costs: Interest	5	(687)		-	
Net revenue before taxation		140,947,975		137,151,098	
Taxation	4	(15,415,739)		(13,690,477)	
Net revenue after taxation			125,532,236		123,460,621
Total return before distributions			214,286,680		215,882,386
Finance costs: Distributions	5		(168,100,356)		(167,075,707)
Change in net assets attributable to Shareholders from investment activities			46,186,324		48,806,679

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		4,215,938,882		4,003,552,221
Amounts receivable on issue of shares	607,389,550		820,519,623	
Amounts payable on cancellation of shares	(693,111,592)		(685,190,500)	
		(85,722,042)		135,329,123
Dilution adjustment		37,842		-
Stamp Duty Reserve Tax		21,025		(579,582)
Change in net assets attributable to Shareholders from investment activities (see above)		46,186,324		48,806,679
Retained distributions on accumulation shares		35,641,312		28,826,392
Unclaimed distributions		7,648		4,049
Closing net assets attributable to Shareholders		4,212,110,991		4,215,938,882

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			4,250,511,012		4,228,379,853
Debtors	7	27,885,655		59,125,442	
Cash and bank balances	8	21,410,594		29,788,181	
Total other assets			49,296,249		88,913,623
Total assets			4,299,807,261		4,317,293,476
LIABILITIES					
Investment liabilities			(14,879,917)		(2,322,623)
Creditors	9	(17,774,306)		(37,974,716)	
Distribution payable on income shares		(55,042,047)		(61,057,255)	
Total other liabilities			(72,816,353)		(99,031,971)
Total liabilities			(87,696,270)		(101,354,594)
Net assets attributable to Shareholders			4,212,110,991		4,215,938,882

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	2.6522	0.2652	2.3870	0.0000	2.3870	2.5300
Group 2	1.1053	0.1105	0.9948	1.3922	2.3870	2.5300
Institutional Shares (Income)						
Group 1	2.7966	0.2797	2.5169	0.0000	2.5169	2.6733
Group 2	1.1679	0.1168	1.0511	1.4658	2.5169	2.6733
Institutional Shares (Accumulation)						
Group 1	4.1884	0.4188	3.7696	0.0000	3.7696	3.8659
Group 2	1.8493	0.1849	1.6644	2.1052	3.7696	3.8659
Exempt Shares 2 (Net Income)						
Group 1	2.8511	0.2851	2.5660	0.0000	2.5660	2.7291
Group 2	0.7986	0.0799	0.7187	1.8473	2.5660	2.7291
X Shares (Net Accumulation)						
Group 1	4.2667	0.4267	3.8400	0.0000	3.8400	3.8790
Group 2	0.5060	0.0506	0.4554	3.3846	3.8400	3.8790
X Shares (Net Income)						
Group 1	2.3980	0.2398	2.1582	0.0000	2.1582	2.2823
Group 2	1.3019	0.1302	1.1717	0.9865	2.1582	2.2823
Sterling Accumulation Shares						
Group 1	2.3126	0.2313	2.0813	0.0000	2.0813	2.1226
Group 2	1.2202	0.1220	1.0982	0.9831	2.0813	2.1226
Institutional Shares W (Net Income)						
Group 1	2.0713	0.2071	1.8642	0.0000	1.8642	1.9944
Group 2	1.0950	0.1095	0.9855	0.8787	1.8642	1.9944
Institutional Shares W (Net Accumulation)						
Group 1	2.2878	0.2288	2.0590	0.0000	2.0590	2.1177
Group 2	1.1297	0.1130	1.0167	1.0423	2.0590	2.1177
Retail Advised Shares B (Net Income)						
Group 1	2.0464	0.2046	1.8418	0.0000	1.8418	1.9470
Group 2	0.3342	0.0334	0.3008	1.5410	1.8418	1.9470
Retail Advised Shares B (Net Accumulation)						
Group 1	2.2441	0.2244	2.0197	0.0000	2.0197	2.0622
Group 2	1.4788	0.1479	1.3309	0.6888	2.0197	2.0622
Exempt Shares 2 (Net Accumulation)						
Group 1	2.1076	0.2108	1.8968	0.0000	1.8968	1.9495
Group 2	2.1076	0.2108	1.8968	0.0000	1.8968	1.9495

Distribution Statements (continued)**Final dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
U Shares (Net Income)						
Group 1	1.8190	0.1819	1.6371	0.0000	1.6371	1.7807
Group 2	0.4793	0.0479	0.4314	1.2057	1.6371	1.7807
U Shares (Net Accumulation)						
Group 1	1.8919	0.1892	1.7027	0.0000	1.7027	1.7807
Group 2	0.5070	0.0507	0.4563	1.2464	1.7027	1.7807

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	1.2451	0.1245	1.1206	0.0000	1.1206	1.0481
Group 2	0.7221	0.0722	0.6499	0.4707	1.1206	1.0481
Institutional Shares (Income)						
Group 1	1.3290	0.1329	1.1961	0.0000	1.1961	1.1185
Group 2	0.6997	0.0700	0.6297	0.5664	1.1961	1.1185
Institutional Shares (Accumulation)						
Group 1	1.9831	0.1983	1.7848	0.0000	1.7848	1.6054
Group 2	1.1940	0.1194	1.0746	0.7102	1.7848	1.6054
Exempt Shares 2 (Net Income)						
Group 1	1.3567	0.1357	1.2210	0.0000	1.2210	1.1400
Group 2	0.7016	0.0702	0.6314	0.5896	1.2210	1.1400
X Shares (Net Accumulation)						
Group 1	1.9957	0.1996	1.7961	0.0000	1.7961	1.5998
Group 2	1.3226	0.1323	1.1903	0.6058	1.7961	1.5998
X Shares (Net Income)						
Group 1	1.1359	0.1136	1.0223	0.0000	1.0223	0.9495
Group 2	0.8487	0.0849	0.7638	0.2585	1.0223	0.9495
Sterling Accumulation Shares						
Group 1	1.0800	0.1080	0.9720	0.0000	0.9720	0.8736
Group 2	0.6161	0.0616	0.5545	0.4175	0.9720	0.8736
Institutional Shares W (Net Income)						
Group 1	0.9921	0.0992	0.8929	0.0000	0.8929	0.8330
Group 2	0.5717	0.0572	0.5145	0.3784	0.8929	0.8330
Institutional Shares W (Net Accumulation)						
Group 1	1.0889	0.1089	0.9800	0.0000	0.9800	0.8781
Group 2	0.6023	0.0602	0.5421	0.4379	0.9800	0.8781

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
						Prior Period 31/03/2014
Retail Advised Shares B (Net Income)						
Group 1	0.9570	0.0957	0.8613	0.0000	0.8613	0.8048
Group 2	0.4374	0.0437	0.3937	0.4676	0.8613	0.8048
Retail Advised Shares B (Net Accumulation)						
Group 1	1.0502	0.1050	0.9452	0.0000	0.9452	0.8452
Group 2	0.5061	0.0506	0.4555	0.4897	0.9452	0.8452
Exempt Shares 2 (Net Accumulation)						
Group 1	1.0020	0.1002	0.9018	0.0000	0.9018	0.8084
Group 2	1.0020	0.1002	0.9018	0.0000	0.9018	0.8084
U Shares (Net Income)						
Group 1	0.8991	0.0899	0.8092	0.0000	0.8092	n/a
Group 2	0.5043	0.0504	0.4539	0.3553	0.8092	n/a
U Shares (Net Accumulation)						
Group 1	0.9220	0.0922	0.8298	0.0000	0.8298	n/a
Group 2	0.9220	0.0922	0.8298	0.0000	0.8298	n/a

Interim dividend distribution in pence per Share

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
						Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.1040	0.1104	0.9936	0.0000	0.9936	0.9595
Group 2	0.6114	0.0611	0.5503	0.4433	0.9936	0.9595
Institutional Shares (Income)						
Group 1	1.1763	0.1176	1.0587	0.0000	1.0587	1.0251
Group 2	0.7554	0.0755	0.6799	0.3788	1.0587	1.0251
Institutional Shares (Accumulation)						
Group 1	1.7444	0.1744	1.5700	0.0000	1.5700	1.4613
Group 2	0.8484	0.0848	0.7636	0.8064	1.5700	1.4613
Exempt Shares 2 (Net Income)						
Group 1	1.2013	0.1201	1.0812	0.0000	1.0812	1.0440
Group 2	0.7692	0.0769	0.6923	0.3889	1.0812	1.0440
X Shares (Net Accumulation)						
Group 1	1.7460	0.1746	1.5714	0.0000	1.5714	1.4576
Group 2	1.2674	0.1267	1.1407	0.4307	1.5714	1.4576
X Shares (Net Income)						
Group 1	1.0010	0.1001	0.9009	0.0000	0.9009	0.8676
Group 2	0.5376	0.0538	0.4838	0.4171	0.9009	0.8676

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Accumulation Shares						
Group 1	0.9511	0.0951	0.8560	0.0000	0.8560	0.7945
Group 2	0.6612	0.0661	0.5951	0.2609	0.8560	0.7945
Institutional Shares W (Net Income)						
Group 1	0.8757	0.0876	0.7881	0.0000	0.7881	0.7627
Group 2	0.5773	0.0577	0.5196	0.2685	0.7881	0.7627
Institutional Shares W (Net Accumulation)						
Group 1	0.9540	0.0954	0.8586	0.0000	0.8586	0.7983
Group 2	0.5872	0.0587	0.5285	0.3301	0.8586	0.7983
Retail Advised Shares B (Net Income)						
Group 1	0.8481	0.0848	0.7633	0.0000	0.7633	0.7356
Group 2	0.3963	0.0396	0.3567	0.4066	0.7633	0.7356
Retail Advised Shares B (Net Accumulation)						
Group 1	0.9199	0.0920	0.8279	0.0000	0.8279	0.7672
Group 2	0.4197	0.0420	0.3777	0.4502	0.8279	0.7672
Exempt Shares 2 (Net Accumulation)						
Group 1	0.8781	0.0878	0.7903	0.0000	0.7903	0.7352
Group 2	0.3616	0.0362	0.3254	0.4649	0.7903	0.7352
U Shares (Net Income)						
Group 1	0.7849	0.0785	0.7064	0.0000	0.7064	n/a
Group 2	0.3578	0.0358	0.3220	0.3844	0.7064	n/a
U Shares (Net Accumulation)						
Group 1	0.8062	0.0806	0.7256	0.0000	0.7256	n/a
Group 2	0.8062	0.0806	0.7256	0.0000	0.7256	n/a

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	1.2572	0.1257	1.1315	0.0000	1.1315	1.2064
Group 2	0.5917	0.0592	0.5325	0.5990	1.1315	1.2064
Institutional Shares (Income)						
Group 1	1.3368	0.1337	1.2031	0.0000	1.2031	1.2840
Group 2	0.5428	0.0543	0.4885	0.7146	1.2031	1.2840
Institutional Shares (Accumulation)						
Group 1	1.9661	0.1966	1.7695	0.0000	1.7695	1.8153
Group 2	1.0714	0.1071	0.9643	0.8052	1.7695	1.8153

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Exempt Shares 2 (Net Income)						
Group 1	1.3636	0.1364	1.2272	0.0000	1.2272	1.3099
Group 2	0.5377	0.0538	0.4839	0.7433	1.2272	1.3099
X Shares (Net Accumulation)						
Group 1	1.9741	0.1974	1.7767	0.0000	1.7767	1.7962
Group 2	0.7586	0.0759	0.6827	1.0940	1.7767	1.7962
X Shares (Net Income)						
Group 1	1.1382	0.1138	1.0244	0.0000	1.0244	1.0896
Group 2	0.3916	0.0392	0.3524	0.6720	1.0244	1.0896
Sterling Accumulation Shares						
Group 1	1.0748	0.1075	0.9673	0.0000	0.9673	0.9911
Group 2	0.5970	0.0597	0.5373	0.4300	0.9673	0.9911
Institutional Shares W (Net Income)						
Group 1	0.9963	0.0996	0.8967	0.0000	0.8967	0.9577
Group 2	0.5923	0.0592	0.5331	0.3636	0.8967	0.9577
Institutional Shares W (Net Accumulation)						
Group 1	1.0770	0.1077	0.9693	0.0000	0.9693	0.9948
Group 2	0.6169	0.0617	0.5552	0.4141	0.9693	0.9948
Retail Advised Shares B (Net Income)						
Group 1	0.9661	0.0966	0.8695	0.0000	0.8695	0.9269
Group 2	0.4481	0.0448	0.4033	0.4662	0.8695	0.9269
Retail Advised Shares B (Net Accumulation)						
Group 1	1.0410	0.1041	0.9369	0.0000	0.9369	0.9607
Group 2	0.7106	0.0711	0.6395	0.2974	0.9369	0.9607
Exempt Shares 2 (Net Accumulation)						
Group 1	0.9919	0.0992	0.8927	0.0000	0.8927	0.9140
Group 2	0.7289	0.0729	0.6560	0.2367	0.8927	0.9140
U Shares (Net Income)						
Group 1	0.8907	0.0891	0.8016	0.0000	0.8016	n/a
Group 2	0.3390	0.0339	0.3051	0.4965	0.8016	n/a
U Shares (Net Accumulation)						
Group 1	0.9073	0.0907	0.8166	0.0000	0.8166	n/a
Group 2	0.9073	0.0907	0.8166	0.0000	0.8166	n/a

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015	30/06/2014
	£	£
Gains on non-derivative securities	68,785,363	104,319,517
Gains/(losses) on forward currency contracts	15,525,167	(11,957,049)
Currency exchange gains	4,505,064	95,150
Activity charges	(61,150)	(28,600)
Overseas transaction tax	-	(7,253)
Net capital gains	88,754,444	92,421,765

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	157,650	130,281
Interest on debt securities	-	864,644
Overseas dividends	153,499,216	153,264,453
Stock lending	385,185	437,051
UK dividends	31,636,581	29,984,157
Total revenue	185,678,632	184,680,586

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	41,879,619	44,342,729
Administration fees	2,319,389	2,526,143
Registrar's disbursement fees	2,326	1,435
Safe custody charges	458,067	570,805
	44,659,401	47,441,112
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,888	59,400
Distribution reconciliation service	2,162	5,534
	62,050	64,934
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,827	7,320
- Non-audit services (tax compliance fee)†	-	2,832
Financial Conduct Authority fee	280	287
Expenses associated with making tax reclaims	1,412	13,003
	8,519	23,442
Total expenses	44,729,970	47,529,488

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,200 (2014: £6,100) and £nil (2014: £2,360) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	-
Overseas tax withheld	15,415,739	13,702,795
Prior year adjustment	-	5,997
Repayment of French withholding tax	-	(18,315)
Total current tax charge (see note 4b)	15,415,739	13,690,477

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	140,947,975	137,151,098
Corporation tax @ 20%	28,189,595	27,430,220
Effects of:		
Dividends not subject to corporation tax	(34,389,260)	(33,808,473)
Excess management expenses	6,552,667	7,022,203
Movement in revenue accruals taxable on receipt	-	(643,950)
Repayment of French withholding tax	-	(18,315)
Overseas tax withheld	15,415,739	13,702,795
Overseas tax expensed	(353,002)	-
Prior year adjustment	-	5,997
Total current tax charge (see note 4a)	15,415,739	13,690,477

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £135,583,973 (30/06/14: £102,820,638), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £27,116,794 (30/06/14: £20,564,127).

5 Finance costs**Distributions**

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

	30/06/2015 £	30/06/2014 £
Interim dividend 30 September - Sterling Income Shares	10,693,950	16,069,065
Interim dividend 30 September - Institutional Shares (Income)	3,227,615	4,210,179
Interim dividend 30 September - Institutional Shares (Accumulation)	1,469,079	2,001,172
Interim dividend 30 September - Exempt Shares 2 (Net Income)	398,409	232,918
Interim dividend 30 September - X Shares (Net Accumulation)	1,362,556	949,057
Interim dividend 30 September - X Shares (Net Income)	1,725,144	1,589,517
Interim dividend 30 September - Sterling Accumulation Shares	631,836	1,078,812
Interim dividend 30 September - Institutional Shares W (Net Income)	11,040,161	8,253,541
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	2,759,067	990,870
Interim dividend 30 September - Retail Advised Shares B (Net Income)	23,136	26,039
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	11,096	8,930
Interim dividend 30 September - Exempt Shares 2 (Net Accumulation)	485,477	496,287
Interim dividend 30 September - U Shares (Net Income)	41	-
Interim dividend 30 September - U Shares (Net Accumulation)	41	-
Interim dividend 31 December - Sterling Income Shares	9,004,766	11,731,482

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Institutional Shares (Income)	2,330,844	3,160,551
Interim dividend 31 December - Institutional Shares (Accumulation)	1,326,050	1,414,724
Interim dividend 31 December - Exempt Shares 2 (Net Income)	191,540	341,580
Interim dividend 31 December - X Shares (Net Accumulation)	1,319,591	517,498
Interim dividend 31 December - X Shares (Net Income)	1,524,883	1,292,456
Interim dividend 31 December - Sterling Accumulation Shares	529,837	748,680
Interim dividend 31 December - Institutional Shares W (Net Income)	10,315,748	7,405,817
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	2,775,028	1,136,315
Interim dividend 31 December - Retail Advised Shares B (Net Income)	19,763	24,197
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	11,406	7,865
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	599,452	399,202
Interim dividend 31 December - U Shares (Net Income)	36	-
Interim dividend 31 December - U Shares (Net Accumulation)	36	-
Interim dividend 31 March - Sterling Income Shares	8,692,342	11,879,983
Interim dividend 31 March - Institutional Shares (Income)	2,584,318	3,302,058
Interim dividend 31 March - Institutional Shares (Accumulation)	1,262,983	1,489,985
Interim dividend 31 March - Exempt Shares 2 (Net Income)	216,968	354,574
Interim dividend 31 March - X Shares (Net Accumulation)	1,405,913	287,549
Interim dividend 31 March - X Shares (Net Income)	1,687,895	1,425,979
Interim dividend 31 March - Sterling Accumulation Shares	568,649	789,665
Interim dividend 31 March - Institutional Shares W (Net Income)	13,020,027	8,498,814
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	3,360,562	1,633,854
Interim dividend 31 March - Retail Advised Shares B (Net Income)	19,425	25,772
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	14,434	9,521
Interim dividend 31 March - Exempt Shares 2 (Net Accumulation)	684,010	438,948
Interim dividend 31 March - U Shares (Net Income)	131	-
Interim dividend 31 March - U Shares (Net Accumulation)	41	-
Final dividend 30 June - Sterling Income Shares	17,242,189	25,679,364
Final dividend 30 June - Institutional Shares (Income)	4,210,347	7,604,193
Final dividend 30 June - Institutional Shares (Accumulation)	2,564,785	3,425,520
Final dividend 30 June - Exempt Shares 2 (Net Income)	457,720	882,841
Final dividend 30 June - X Shares (Net Accumulation)	2,347,361	3,279,104
Final dividend 30 June - X Shares (Net Income)	3,512,397	3,853,621
Final dividend 30 June - Sterling Accumulation Shares	1,172,946	1,556,817
Final dividend 30 June - Institutional Shares W (Net Income)	27,653,728	22,987,660
Final dividend 30 June - Institutional Shares W (Net Accumulation)	7,479,909	5,082,368
Final dividend 30 June - Retail Advised Shares B (Net Income)	42,511	49,487
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	31,473	25,013
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	1,438,776	1,058,547
Final dividend 30 June - U Shares (Net Income)	1,923,155	89
Final dividend 30 June - U Shares (Net Accumulation)	28,918	89
	167,400,501	169,708,169
Amounts added on issue of shares	(1,623,342)	(5,449,048)
Amounts deducted on cancellation of shares	2,323,197	2,816,586
Net distributions for the year	168,100,356	167,075,707
Interest	687	-
Total finance costs	168,101,043	167,075,707

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	125,532,236	123,460,621
ACD's periodic charge less tax relief paid from capital	-	43,584,031
Capitalised fees less tax relief paid from capital	42,280,406	
Equalisation on conversions	285,734	32,450
Undistributed revenue brought forward	1,980	585
Undistributed revenue carried forward	-	(1,980)
	168,100,356	167,075,707

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	16,732,738	21,602,874
Amount receivable for issue of shares	2,494,992	17,247,808
Amounts receivable on open currency contracts	1,730,393	-
Corporation Tax due from HMRC	-	198,129
Overseas tax recoverable	6,927,532	5,200,383
Sales awaiting settlement	-	14,876,248
	27,885,655	59,125,442

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	1,810,850	29,788,181
Cash held in BNY Mellon Sterling Liquidity Fund	19,599,744	-
	21,410,594	29,788,181

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	3,831,358	3,978,111
Amount payable for cancellation of shares	9,988,069	11,573,719
Amounts payable on open currency contracts	1,729,073	-
Corporation tax payable	5,997	-
Purchases awaiting settlement	2,219,809	22,422,886
	17,774,306	37,974,716

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £11,316,648 (30/06/14: due from ACD £1,176,689).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in a significant exposure in either fixed or floating rate securities, interest rate risk exposure is mainly restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
State Street Bank	(14,879,917)	(14,879,917)
	(14,879,917)	(14,879,917)

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Liabilities	Total	Total
	£	£	£	£
United Kingdom	457,051,332	(41,198,846)	415,852,486	488,546,647
Australia	44,594,859	1,304,858	45,899,717	44,323,055
Brazil	-	-	-	14,936,294
Canada	-	-	-	41,407,570
Denmark	87,118,694	216,530	87,335,224	94,483,846
Europe	493,198,049	1,160,055	494,358,104	530,524,250
Hong Kong	51,399,038	1,058,389	52,457,427	46,535,619
Japan	259,709,154	-	259,709,154	80,967,497
Korea	44,052,556	896,374	44,948,930	36,935,002
Norway	89,757,785	968,524	90,726,309	188,988,428
Singapore	-	-	-	39,617,834
South Africa	-	-	-	42,003,306
Sweden	82,271,036	-	82,271,036	78,698,574
Switzerland	418,608,390	3,853,378	422,461,768	411,056,889
Taiwan	-	78,098	78,098	1,005
Thailand	34,593,565	-	34,593,565	38,736,309
United States of America	2,173,276,637	8,142,536	2,181,419,173	2,038,176,757
Total	4,235,631,095	(23,520,104)	4,212,110,991	4,215,938,882

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		1,227,568,441		1,471,296,030
Commissions	721,287		1,078,792	
Taxes	1,701,416		1,804,688	
Total purchase costs		2,422,703		2,883,480
Gross purchases total		1,229,991,144		1,474,179,510
Analysis of total sales proceeds:				
Sales before transaction costs		1,273,349,376		1,241,909,836
Commissions	(831,101)		(1,227,017)	
Taxes	(43,951)		(281,128)	
Total sales costs		(875,052)		(1,508,145)
Total sales net of transaction costs		1,272,474,324		1,240,401,691

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 £264,863,648 of investments were subject to stock lending agreements and the Fund held £295,148,701 in collateral. The collateral is held 91.15% in equity securities and 8.85% in debt securities.

As at 30 June 2014 £175,328,620 of investments were subject to stock lending agreements and the Fund held £185,204,624 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £481,481 (30/06/14: £546,314) and £96,296 (30/06/14: £109,263).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has fourteen share classes; Sterling Income Shares, Institutional Shares (Income), Institutional Shares (Accumulation), Exempt Shares 2 (Net Income), X Shares (Net Accumulation), X Shares (Net Income), Sterling Accumulation Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation), Exempt Shares 2 (Net Accumulation), U Shares (Net Income) and U Shares (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Income)	1.00%	0.03%
Institutional Shares (Accumulation)	1.00%	0.03%
Exempt Shares 2 (Net Income)	0.75%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
Sterling Accumulation Shares	1.50%	0.10%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
U Shares (Net Income)	0.65%	0.03%
U Shares (Net Accumulation)	0.65%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 380 to 382. The distributions are given in the distribution statements on pages 387 to 391. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL OPPORTUNITIES FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£410.29m
Comparative Index:	MSCI All Countries Index (Prior to 01/04/2015: FTSE All World TR GBP)
Sector:	The Investment Association Global
Yield as at 30 June 2015:	
Sterling Income Shares	0.37%
Exempt Shares 2 (Net Accumulation)	0.12%
X Shares (Net Accumulation)	1.89%
Institutional Shares W (Net Income)	1.18%
Institutional Shares W (Net Accumulation)	1.19%
Retail Advised Shares B (Net Income)	0.85%
Retail Advised Shares B (Net Accumulation)	0.87%
Exempt Shares 2 (Net Income)	1.18%
Key Dates: Fund Launch	01 July 2005

Investment Objective

The objective of the Fund is to achieve long-term capital growth from a concentrated portfolio predominately invested in the securities of companies located worldwide. The Fund does not have a bias towards any economic sector or company size.

Statutory Performance Data

From To	30/06/2014 30/06/2015	30/06/2013 30/06/2014	30/06/2012 30/06/2013	30/06/2011 30/06/2012	30/06/2010 30/06/2011
Sterling Income Shares	12.52%	6.39%	21.22%	-4.04%	20.29%
Exempt Shares 2 (Net Accumulation)	12.29%	7.26%	22.21%	-3.23%	21.27%
X Shares (Net Accumulation)	14.29%	8.06%	23.14%	-2.50%	22.18%
Institutional Shares W (Net Income)*	13.47%	7.26%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	13.46%	7.25%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	13.08%	6.91%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	13.10%	6.91%	n/a	n/a	n/a
Exempt Shares 2 (Net Income)*	13.46%	7.25%	n/a	n/a	n/a
MSCI All Countries Index**	n/a	n/a	n/a	n/a	n/a
FTSE All World TR GBP**	n/a	9.64%	21.41%	-4.05%	21.74%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

**From 1 April 2015 the comparative Index was changed to the MSCI All Countries Index.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 12.52% against a return of 9.49% from the MSCI AC World Index NR.

The Fund generated a positive return during the review period, outperforming its comparative index. Stock selection in consumer staples, consumer discretionary (non-essential goods and services) and financials were beneficial to performance, while the Fund's holdings in the healthcare, industrials and telecommunications sectors detracted from performance. The holding in US pharmacy-benefits manager Express Scripts performed well for the Fund – the position was increased. Another large individual contribution to performance came from TJX (US-listed parent of retailer TK Maxx). Elsewhere, solid results and evidence of product innovation boosted US financial technology stock Intuit. However, the decision to hold positions in Trimble Navigation and Suncor Energy was less positive as they detracted from returns over the period under review.

A holding in major travel review website TripAdvisor was purchased as the manager believes the business has the potential to generate significantly more revenue in the future. Namely, the introduction of new features designed to capture more business for the company is expected to prove positive for growth. French media firm Vivendi, which owns Universal Music, was also added to the Fund. Other new purchases for the Fund included: US pay-TV provider Discovery Communications, to take advantage of the growth opportunity in pay TV outside the US, Japanese telecoms operator SoftBank, Google and L'Oreal. The manager also made additions to existing holdings German technology stock SAP and British American Tobacco. Redemptions included tyre manufacturer Continental, where the manager judged the risk-reward balance had become less favourable. The Fund also reduced exposure to Kraft Foods after a better-than-expected recent performance meant the valuation was no longer as favourable as it was previously.

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

Purchases	Sales
Discovery Communications class 'A'	AGCO
Trimble Navigation	Toyota Motor
Google class 'A' shares	Kraft Foods
Vivendi	eBay
Yum! Brands	Royal Dutch Shell class 'A' Shares
Softbank	Continental
Walgreens Boots Alliance	EMC
TripAdvisor	GlaxoSmithKline
Vallourec	Apple
Centrica	RenaissanceRe

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	157.54	128.34	1.3851
2012	154.42	139.40	1.2922
2013	184.76	152.66	0.9166
2014	203.10	174.64	0.7591
2015	225.31	198.72	0.5511
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	174.34	142.90	2.8276
2012	174.95	155.54	2.7386
2013	211.62	173.24	2.5484
2014	236.40	201.00	2.6056
2015	262.88	231.37	2.8215
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	179.82	147.66	4.1321
2012	182.16	161.02	4.0654
2013	221.83	180.69	4.1074
2014	250.18	211.38	4.3822
2015	278.82	244.93	4.6183
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 September)	102.38	98.36	n/a
2013	123.13	101.41	1.4152
2014	135.08	116.25	1.5073
2015	150.21	132.20	1.4981
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 September)	102.38	98.36	n/a
2013	123.86	101.41	1.4151
2014	138.36	117.65	1.5312
2015	153.86	135.42	1.5378
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 25 September)	100.60	96.61	n/a
2013	120.75	99.57	1.0657
2014	132.58	114.07	1.0894
2015	147.30	129.75	1.0169
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 25 September)	100.60	96.61	n/a
2013	121.40	99.57	1.0600
2014	135.02	115.12	1.1490
2015	150.00	132.13	1.0648
Exempt Shares 2 (Net Income)	Pence	Pence	Pence
2013 (from 11 June)	104.32	96.39	1.2739
2014	115.12	99.09	1.2855
2015	128.02	112.67	1.2673

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	6,300,893	175.07	3,599,021
30/06/2014	4,224,318	185.12	2,281,955
30/06/2015	4,167,633	207.78	2,005,796
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	64,333,845	200.51	32,084,891
30/06/2014	57,022,577	214.63	26,567,389
30/06/2015	700,133	243.76	287,224
X Shares (Net Accumulation)		Pence	
30/06/2013	351,251,051	209.91	167,330,383
30/06/2014	392,919,276	226.39	173,559,221
30/06/2015	372,839,629	258.77	144,081,059
Institutional Shares W (Net Income)		Pence	
30/06/2013	19,939	115.97	17,193
30/06/2014	1,721,455	122.63	1,403,737
30/06/2015	2,896,519	137.68	2,103,873
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	56,102	117.36	47,803
30/06/2014	302,814	125.62	241,047
30/06/2015	1,913,273	142.56	1,342,046
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	149,715	114.01	131,318
30/06/2014	452,271	120.56	375,152
30/06/2015	293,034	135.33	216,532
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	5,754	115.08	5,000
30/06/2014	2,040,061	122.77	1,661,654
30/06/2015	3,089,936	138.88	2,224,891
Exempt Shares 2 (Net Income)		Pence	
30/06/2013	26,205,334	98.85	26,510,938
30/06/2014	23,817,617	104.52	22,786,724
30/06/2015	24,391,578	117.34	20,786,724

Statistics (continued)**Ongoing Charges**

	30/06/2015	30/06/2014
Share Class	%	%
Sterling Income Shares	1.63	1.63
Exempt Shares 2 (Net Accumulation)	0.81	0.81
X Shares (Net Accumulation)	0.06	0.06
Institutional Shares W (Net Income)	0.81	0.81
Institutional Shares W (Net Accumulation)	0.81	0.81
Retail Advised Shares B (Net Income)	1.13	1.13
Retail Advised Shares B (Net Accumulation)	1.13	1.13
Exempt Shares 2 (Net Income)	0.81	0.81

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds 6.83% (6.48%)			
US Treasury 0% Notes 30/7/2015	\$25,089,100	15,952,628	3.89
US Treasury 0% Notes 27/8/2015	\$18,970,100	12,062,219	2.94
United Kingdom 8.02% (11.43%)			
British American Tobacco	313,482	10,703,843	2.61
Centrica	4,399,946	11,607,057	2.83
John Wood	907,456	5,848,554	1.43
Vodafone	2,045,193	4,700,876	1.15
Canada 1.24% (2.97%)			
Suncor Energy	290,514	5,083,940	1.24
United States of America 49.25% (42.29%)			
Accenture	242,327	14,909,112	3.63
Apple	93,271	7,438,195	1.81
CH Robinson Worldwide	245,606	9,743,345	2.37
Citigroup	339,090	11,905,990	2.90
Discovery Communications class 'A' shares	560,367	11,847,271	2.89
Equifax	157,472	9,717,465	2.37
Express Scripts	251,183	14,205,008	3.46
Google class 'A' shares	35,685	12,253,431	2.99
Intuit	126,378	8,096,806	1.97
Kraft Foods	72,287	3,913,803	0.95
Medtronic	188,568	8,882,252	2.16
Microsoft	463,372	13,008,122	3.17
PNC Financial Services	174,953	10,640,462	2.59
TJX	200,555	8,436,904	2.06
Trimble Navigation	772,109	11,512,657	2.81
TripAdvisor	158,204	8,765,751	2.14
United Technologies	122,072	8,607,213	2.10
Walgreens Boots Alliance	170,402	9,149,072	2.23
Walt Disney	125,437	9,099,706	2.22
Yum! Brands	174,195	9,974,095	2.43
Hong Kong 2.06% (2.33%)			
AIA	2,034,800	8,436,298	2.06
Japan 4.07% (4.33%)			
Japan Tobacco	465,900	10,539,697	2.57
Softbank	164,200	6,143,311	1.50
Belgium 1.94% (2.32%)			
Anheuser-Busch InBev	104,779	7,979,981	1.94
France 3.54% (1.93%)			
L'Oréal	34,155	3,871,626	0.94
Vivendi	665,368	10,665,215	2.60
Germany 6.55% (7.13%)			
Bayer (Regd.)	99,420	8,871,377	2.16
Brenntag	178,570	6,530,488	1.59
SAP	257,904	11,461,791	2.80

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Israel 2.68% (3.08%)			
Bank Hapoalim	1,644,845	5,636,363	1.37
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	143,272	5,384,884	1.31
Netherlands 3.68% (6.16%)			
Reed Elsevier	715,186	10,779,725	2.63
Wolters Kluwer	228,820	4,319,454	1.05
Switzerland 6.79% (7.11%)			
Nestlé	208,235	9,563,112	2.33
Novartis	140,679	8,819,955	2.15
Roche	53,081	9,461,983	2.31
Portfolio of investments		396,531,037	96.65
Net current assets		13,760,698	3.35
Total Net Assets		410,291,735	100.00
Total unapproved and unquoted securities.			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the year ended 30 June 2015, the Fund disposed of its holdings in the Options portfolio category, which, at 30 June 2014, represented 0.01% of the Total Net Assets of the Fund.

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

ADR = American Depositary Receipt

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		62,020,840		25,095,323
Revenue	2	10,415,976		10,540,127	
Expenses	3	(879,589)		(1,010,570)	
Finance costs: Interest	5	(12)		-	
Net revenue before taxation		9,536,375		9,529,557	
Taxation	4	(747,736)		(957,402)	
Net revenue after taxation			8,788,639		8,572,155
Total return before distributions			70,809,479		33,667,478
Finance costs: Distributions	5		(8,790,653)		(8,572,280)
Change in net assets attributable to Shareholders from investment activities			62,018,826		25,095,198

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		482,500,389		448,322,633
Amounts receivable on issue of shares	41,194,492		64,542,456	
Amounts payable on cancellation of shares	(182,245,918)		(63,851,331)	
		(141,051,426)		691,125
Dilution adjustment		117,348		71,224
Stamp Duty Reserve Tax		-		(526)
Change in net assets attributable to Shareholders from investment activities (see above)		62,018,826		25,095,198
Retained distributions on accumulation shares		6,706,598		8,320,735
Closing net assets attributable to Shareholders		410,291,735		482,500,389

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets			396,531,037	470,769,405
Debtors	7	153,267,466		1,345,626
Cash and bank balances	8	<u>18,354,698</u>	<u>11,051,547</u>	
Total other assets			<u>171,622,164</u>	<u>12,397,173</u>
Total assets			568,153,201	483,166,578
LIABILITIES				
Creditors	9	(157,553,270)		(330,698)
Distribution payable on income shares		<u>(308,196)</u>	<u>(335,491)</u>	
Total other liabilities			<u>(157,861,466)</u>	<u>(666,189)</u>
Total liabilities			(157,861,466)	(666,189)
Net assets attributable to Shareholders			<u>410,291,735</u>	<u>482,500,389</u>

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.6123	0.0612	0.5511	0.0000	0.5511	0.7591
Group 2	0.5834	0.0583	0.5251	0.0260	0.5511	0.7591
Exempt Shares 2 (Net Accumulation)						
Group 1	3.1350	0.3135	2.8215	0.0000	2.8215	2.6056
Group 2	2.5409	0.2541	2.2868	0.5347	2.8215	2.6056
X Shares (Net Accumulation)						
Group 1	5.1314	0.5131	4.6183	0.0000	4.6183	4.3822
Group 2	2.6417	0.2642	2.3775	2.2408	4.6183	4.3822
Institutional Shares W (Net Income)						
Group 1	1.6646	0.1665	1.4981	0.0000	1.4981	1.5073
Group 2	0.8920	0.0892	0.8028	0.6953	1.4981	1.5073
Institutional Shares W (Net Accumulation)						
Group 1	1.7087	0.1709	1.5378	0.0000	1.5378	1.5312
Group 2	0.9341	0.0934	0.8407	0.6971	1.5378	1.5312
Retail Advised Shares B (Net Income)						
Group 1	1.1299	0.1130	1.0169	0.0000	1.0169	1.0894
Group 2	0.8216	0.0822	0.7394	0.2775	1.0169	1.0894
Retail Advised Shares B (Net Accumulation)						
Group 1	1.1831	0.1183	1.0648	0.0000	1.0648	1.1490
Group 2	0.8168	0.0817	0.7351	0.3297	1.0648	1.1490
Exempt Shares 2 (Net Income)						
Group 1	1.4081	0.1408	1.2673	0.0000	1.2673	1.2855
Group 2	1.4081	0.1408	1.2673	0.0000	1.2673	1.2855

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	61,735,863	25,702,806
Losses on derivative contracts	(117,798)	-
Gains/(losses) on forward currency contracts	176,380	(528,728)
Currency exchange gains/(losses)	268,037	(56,000)
Activity charges	(41,642)	(22,755)
Net capital gains	62,020,840	25,095,323

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	-	19,641
Interest on debt securities	6,192	12,125
Overseas dividends	8,074,285	8,233,727
Stock lending	43,237	84,234
UK dividends	2,292,262	2,190,400
Total revenue	10,415,976	10,540,127

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	615,910	765,792
Administration fees	158,482	145,475
Registrar's disbursement fees	-	1,523
Safe custody charges	52,666	44,088
	827,058	956,878
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	44,625	42,307
Distribution reconciliation service	-	26
	44,625	42,333
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,243	6,840
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	276	288
Expenses associated with making tax reclaims	1,387	1,291
	7,906	11,359
Total expenses	879,589	1,010,570

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,800 (2014: £5,700) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Income tax suffered	-	54,708
	<u>-</u>	<u>54,708</u>
Overseas tax withheld	748,290	903,958
Prior year adjustment	(554)	554
Repayment of French withholding tax	-	(1,818)
Total current tax charge (see note 4b)	<u>747,736</u>	<u>957,402</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	9,536,375	9,529,557
	<u>9,536,375</u>	<u>9,529,557</u>
Corporation tax @ 20%	1,907,275	1,905,911
Effects of:		
Dividends not subject to corporation tax	(1,999,706)	(2,023,060)
Excess management expenses	102,483	117,149
Income tax suffered	-	54,708
Repayment of French withholding tax	-	(1,818)
Overseas tax withheld	748,290	903,958
Overseas tax expensed	(10,052)	-
Prior year adjustment	(554)	554
Total current tax charge (see note 4a)	<u>747,736</u>	<u>957,402</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £4,207,414 (30/06/14: £3,694,997), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £841,483 (30/06/14: £738,999).

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	11,055	17,322
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	8,104	692,240
Final dividend 30 June - X Shares (Net Accumulation)	6,654,166	7,605,712
Final dividend 30 June - Institutional Shares W (Net Income)	31,518	21,159
Final dividend 30 June - Institutional Shares W (Net Accumulation)	20,638	3,691
Final dividend 30 June - Retail Advised Shares B (Net Income)	2,202	4,087
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	23,690	19,092
Final dividend 30 June - Exempt Shares 2 (Net Income)	263,421	292,923
	<u>7,014,794</u>	<u>8,656,226</u>
Amounts added on issue of shares	(322,651)	(491,267)
Amounts deducted on cancellation of shares	2,098,510	407,321
Net distributions for the year	<u>8,790,653</u>	<u>8,572,280</u>
Interest	12	-
Total finance costs	<u>8,790,665</u>	<u>8,572,280</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	8,788,639	8,572,155
Equalisation on conversions	1,900	119
Undistributed revenue brought forward	114	120
Undistributed revenue carried forward	-	(114)
	<u>8,790,653</u>	<u>8,572,280</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	499,553	778,920
Amount receivable for issue of shares	2,061,877	122,665
Amounts receivable on open currency contracts	77,944,817	-
Overseas tax recoverable	383,714	444,041
Sales awaiting settlement	72,377,505	-
	<u>153,267,466</u>	<u>1,345,626</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	393,749	7,513,266
Cash held in BNY Mellon Sterling Liquidity Fund	17,960,949	3,538,281
	<u>18,354,698</u>	<u>11,051,547</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	59,946	91,509
Amount payable for cancellation of shares	76,833,386	131,227
Amounts payable on open currency contracts	77,808,091	-
Corporation tax payable	-	554
Purchases awaiting settlement	2,851,847	107,408
	<u>157,553,270</u>	<u>330,698</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £74,824,143 (30/06/14: £89,389).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund has no significant investments in fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	32,860,331	24,757,313	57,617,644	66,198,605
Canada	5,083,940	(34,358)	5,049,582	14,337,496
Europe	64,479,656	(11,769,237)	52,710,419	78,299,706
Hong Kong	8,436,298	(10)	8,436,288	11,247,626
Israel	5,636,363	639,883	6,276,246	3,882,076
Japan	16,683,008	139,494	16,822,502	20,887,244
Switzerland	27,845,050	285,128	28,130,178	34,518,952
Taiwan	-	50,261	50,261	855
United States of America	235,506,391	(307,776)	235,198,615	253,127,829
Total	396,531,037	13,760,698	410,291,735	482,500,389

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	314,078,315	415,551,662
Commissions	118,394	178,157
Taxes	124,805	197,832
Total purchase costs	243,199	375,989
Gross purchases total	314,321,514	415,927,651
Analysis of total sales proceeds:		
Sales before transaction costs	450,594,914	408,156,331
Commissions	(162,454)	(174,847)
Taxes	(13,056)	(11,821)
Total sales costs	(175,510)	(186,668)
Total sales net of transaction costs	450,419,404	407,969,663

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 £49,135,887 of investments were subject to stock lending agreements and the Fund held £53,819,168 in collateral. The collateral is held 72.72% in equity and 27.28% in debt securities.

As at 30 June 2014 £19,560,822 of investments were subject to stock lending agreements and the Fund held £26,508,652 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £54,046 (30/06/14: £105,293) and £10,809 (30/06/14: £21,059).

15 Shareholders' funds

The Fund currently has eight share classes; Sterling Income Shares, Exempt Shares 2 (Net Accumulation), X Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation) and Exempt Shares 2 (Net Income). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%
Exempt Shares 2 (Net Income)	0.75%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 403. The distribution is given in the distribution statement on page 409. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON INDEX LINKED GILT FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£81.98m
Comparative Index:	FTSE A (Index Linked) British Govt over 5 years TR
Sector:	The Investment Association UK Index Linked Gilts
Distribution Yield as at 30 June 2015:	
Exempt Shares 2 (Gross Accumulation)	0.05%
Institutional Shares (Net Accumulation)	0.00%
X Shares (Gross Accumulation)	0.25%
X Shares (Net Income)	0.25%
Key Dates:	
Fund Launch	24 February 1998
Converted to ICVC	02 August 2004

Investment Objective

The objective of the Fund is to maximise returns by investment in a portfolio of predominantly sterling index linked gilts.

Statutory Performance Data

From To	30/06/2014 30/06/2015	30/06/2013 30/06/2014	30/06/2012 30/06/2013	30/06/2011 30/06/2012	30/06/2010 30/06/2011
Exempt Shares 2 (Gross Accumulation)	13.70%	3.21%	3.60%	15.31%	10.45%
Institutional Shares (Net Accumulation)	13.38%	2.65%	2.88%	14.32%	9.76%
X Shares (Gross Accumulation)	13.92%	3.42%	3.81%	15.54%	10.67%
X Shares (Net Income)*	13.76%	3.06%	3.31%	n/a	n/a
FTSE A (Index Linked)	15.75%	4.31%	2.71%	16.87%	9.67%
British Govt Over 5 Years TR					

Source: Lipper as at 30 June 2015 – Institutional Shares (Net Accumulation) and X Shares (Net Income) - Total return including revenue net of UK tax and annual charges. Exempt Shares 2 (Gross Accumulation) and Sterling X Shares (Gross Accumulation) - Total return including gross revenue and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Institutional Sterling Acc Share Class of the Fund returned 13.70% against 15.75% for the FTSE Actuaries Government Securities Index-Linked (over 5 Years) Index.

The Fund posted a positive return but underperformed its comparative index. During the review period, the Fund's returns were affected by its shorter overall duration – less sensitivity to falling yields – than the index. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). This had a particularly negative impact in August, although as the review period progressed it became less of a negative influence due to fluctuating interest-rate expectations, which – by the summer of 2015 – had shifted towards the US and UK central banks likely hiking rates sooner than previously anticipated. Additionally, demand for bond markets perceived as 'safe havens' in the US and UK rose in 2015 as the Greek crisis escalated and a Greek exit ('Grexit') from the eurozone became a distinct possibility.

Trading activity was busier than in previous years, particularly in the second half of the review period. In part this was a result of flows into and out of the Fund but it was also an active decision to make more changes in response to regular, significant price swings as market participants reacted to economic data and the events unfolding in Greece. The majority of new purchases were of bonds with maturities of 25-40 years. New Zealand and New South Wales index-linked debt issues were initiated into the Fund, as was a small position in a long-dated index-linked Italian government bond. Meanwhile, exposure to very short-dated (2016) index-linked gilts was eliminated as were ultra-long positions (maturities of 50 years and upwards). Within the corporate index-linked segment, a purchase of Tesco bonds proved ill-timed, as the bonds fell in the wake of an accounting scandal, although the small position that was initiated meant the detrimental impact was minimal.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases

Treasury 2.5% Index Linked Gilts 17/7/2024
 Treasury 1.25% Index Linked Gilts 22/11/2017
 Treasury 0.125% Index Linked Gilts 22/11/2019
 Treasury 1.125% Index Linked Gilts 22/11/2037
 Treasury 0.125% Index Linked Gilts 22/3/2044
 Treasury 2.5% Index Linked Gilts 26/7/2016
 Treasury 1.875% Index Linked Gilts 22/11/2022
 Treasury 4.125% Index Linked Gilts 22/7/2030
 Treasury 0.75% Index Linked Gilts 22/11/2047
 Treasury 1.25% Index Linked Gilts 22/11/2027

Sales

Treasury 1.25% Index Linked Gilts 22/11/2017
 Treasury 0.125% Index Linked Gilts 22/11/2019
 Treasury 2.5% Index Linked Gilts 17/7/2024
 Treasury 1.875% Index Linked Gilts 22/11/2022
 Treasury 4.125% Index Linked Gilts 22/7/2030
 Treasury 1.25% Index Linked Gilts 22/11/2027
 Treasury 2.5% Index Linked Gilts 16/4/2020
 Treasury 2.5% Index Linked Gilts 26/7/2016
 Treasury 0.375% Index Linked Gilts 22/3/2062
 Treasury 0.125% Index Linked Gilts 22/3/2044

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Exempt Shares 2 (Gross Accumulation)	Pence	Pence	Pence
2011	296.62	230.70	7.0889
2012	299.95	279.72	8.3937
2013	329.94	287.01	5.1022
2014	361.00	294.32	3.3506
2015	375.39	339.81	1.0632
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2011	282.97	221.77	4.8380
2012	286.03	265.37	5.7214
2013	311.64	271.54	3.1601
2014	338.03	276.88	1.8469
2015	351.53	318.16	0.4814
X Shares (Gross Accumulation)	Pence	Pence	Pence
2011	299.32	232.36	7.6634
2012	302.70	282.38	9.0651
2013	333.79	290.21	5.7818
2014	366.43	298.20	4.0423
2015	381.12	345.09	1.4598
X Shares (Net Income)	Pence	Pence	Pence
2011 (from 25 May)	297.44	250.62	4.1464
2012 (from 3 January to 14 March)**	297.11	280.20	n/a
2012 (from 12 April to 31 May)**	289.23	278.41	n/a
2012 (from 6 June)**	282.67	265.20	3.7142
2013	308.59	268.49	4.2576
2014	329.29	270.77	2.8512
2015	341.87	309.69	1.0002

**The X Shares (Net Income) shareclass closed and re-opened at the dates above.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 2 (Gross Accumulation)		Pence	
30/06/2013	93,966,232	297.52	31,582,813
30/06/2014	52,091,992	310.27	16,789,110
30/06/2015	54,688,775	355.03	15,404,011
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	22,652,814	280.63	8,072,205
30/06/2014	16,922,630	291.05	5,814,308
30/06/2015	15,471,727	332.05	4,659,486
X Shares (Gross Accumulation)		Pence	
30/06/2013	16,663,538	301.13	5,533,642
30/06/2014	17,299,167	314.66	5,497,669
30/06/2015	7,562,768	360.76	2,096,337

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
X Shares (Net Income)		Pence	
30/06/2013	5,028,969	275.59	1,824,815
30/06/2014	2,107	282.82	745
30/06/2015	4,260,355	322.35	1,321,672

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Exempt Shares 2 (Gross Accumulation)	0.27	0.26
Institutional Shares (Net Accumulation)	0.57	0.56
X Shares (Gross Accumulation)	0.07	0.06
X Shares (Net Income)	0.07	0.06

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 93.05% (92.08%)			
Treasury 0.125% Index Linked Gilts 22/3/2029	£2,470,000	2,996,193	3.65
Treasury 0.125% Index Linked Gilts 22/3/2044	£2,230,000	2,978,669	3.63
Treasury 0.125% Index Linked Gilts 22/3/2068	£670,000	1,131,569	1.38
Treasury 0.25% Index Linked Gilts 22/3/2052	£3,050,000	4,594,875	5.61
Treasury 0.375% Index Linked Gilts 22/3/2062	£1,850,000	3,381,715	4.12
Treasury 0.5% Index Linked Gilts 22/3/2050	£3,770,000	6,777,984	8.28
Treasury 0.625% Index Linked Gilts 22/3/2040	£2,910,000	4,709,043	5.74
Treasury 0.625% Index Linked Gilts 22/11/2042	£1,770,000	3,020,423	3.68
Treasury 0.75% Index Linked Gilts 22/3/2034	£2,110,000	3,019,202	3.68
Treasury 0.75% Index Linked Gilts 22/11/2047	£3,600,000	6,861,965	8.37
Treasury 1.125% Index Linked Gilts 22/11/2037	£2,990,000	5,525,319	6.74
Treasury 1.25% Index Linked Gilts 22/11/2027	£2,410,000	4,029,849	4.92
Treasury 1.25% Index Linked Gilts 22/11/2032	£2,500,000	4,070,767	4.97
Treasury 1.25% Index Linked Gilts 22/11/2055	£2,200,000	5,780,461	7.05
Treasury 1.875% Index Linked Gilts 22/11/2022	£2,705,000	4,127,368	5.03
Treasury 2% Index Linked Gilts 26/1/2035	£1,350,000	3,097,271	3.78
Treasury 2.5% Index Linked Gilts 17/7/2024	£1,840,000	6,247,122	7.62
Treasury 4.125% Index Linked Gilts 22/7/2030	£1,095,000	3,633,073	4.43
Treasury 4.25% Stock 7/12/2046	£230,000	306,009	0.37
Overseas Government Bonds 4.22% (2.37%)			
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD600,000	421,589	0.51
New Zealand (Government) 2% Index Linked Bonds 20/9/2025	NZD1,400,000	614,227	0.75
US Treasury 2.125% Inflation Indexed Bonds 15/2/2041	USD500,000	423,699	0.52
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD1,680,000	2,001,348	2.44
Sterling Denominated Corporate Bonds 2.28% (4.59%)			
Dwr Cymru Financing 1.859% European Medium Term Index Linked Bonds 31/3/2048	£650,000	1,037,837	1.27
High Speed Rail Finance 1 1.566% Senior European Medium Term Inflation Linked Notes 1/11/2038	£208,000	268,375	0.33
National Grid 1.25% Senior European Medium Term Index Linked Bonds 6/10/2021	£500,000	556,205	0.68
Derivatives 0.25% (0.01%)			
AUD Forward Foreign Currency Contracts 0.05% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	AUD290,270	141,559	0.17
Forward Foreign Currency Contracts 13/08/15	£(147,267)	(147,267)	(0.18)
Forward Foreign Currency Contracts 13/08/15	AUD146,234	71,316	0.09
Forward Foreign Currency Contracts 13/08/15	£(74,096)	(74,096)	(0.09)
Forward Foreign Currency Contracts 13/08/15	AUD(1,390,835)	(678,285)	(0.83)
Forward Foreign Currency Contracts 13/08/15	£727,161	727,161	0.89
EUR Forward Foreign Currency Contracts 0.03% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	EUR68,413	48,511	0.06
Forward Foreign Currency Contracts 13/08/15	£(49,647)	(49,647)	(0.06)
Forward Foreign Currency Contracts 13/08/15	EUR757,381	537,054	0.66
Forward Foreign Currency Contracts 13/08/15	£(547,949)	(547,949)	(0.67)
Forward Foreign Currency Contracts 13/08/15	EUR128,437	91,074	0.11
Forward Foreign Currency Contracts 13/08/15	£(92,713)	(92,713)	(0.11)
Forward Foreign Currency Contracts 13/08/15	EUR(1,105,511)	(783,909)	(0.96)
Forward Foreign Currency Contracts 13/08/15	£817,175	817,175	1.00
NZD Forward Foreign Currency Contracts 0.12% (0.01%)			
Forward Foreign Currency Contracts 13/08/15	NZD(1,920,536)	(822,996)	(1.00)
Forward Foreign Currency Contracts 13/08/15	£937,200	937,200	1.14
Forward Foreign Currency Contracts 13/08/15	NZD204,134	87,476	0.11
Forward Foreign Currency Contracts 13/08/15	£(96,265)	(96,265)	(0.12)
Forward Foreign Currency Contracts 13/08/15	NZD200,446	85,896	0.10
Forward Foreign Currency Contracts 13/08/15	£(90,162)	(90,162)	(0.11)

Portfolio Statement (continued)

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
USD Forward Foreign Currency Contracts 0.05% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	USD(2,623,868)	(1,668,888)	(2.04)
Forward Foreign Currency Contracts 13/08/15	£1,723,969	1,723,969	2.10
Forward Foreign Currency Contracts 13/08/15	USD660,243	419,942	0.51
Forward Foreign Currency Contracts 13/08/15	£(421,802)	(421,802)	(0.51)
Forward Foreign Currency Contracts 13/08/15	USD562,680	357,887	0.44
Forward Foreign Currency Contracts 13/08/15	£(368,305)	(368,305)	(0.45)
Portfolio of investments*		81,816,093	99.80
Net current assets		167,532	0.20
Total Net Assets		81,983,625	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt securities issued by the relevant companies or issuers.

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	76,710	93.57	93.90
AA	3,039	3.71	1.90
A	1,306	1.59	1.94
BBB	-	-	0.76
Not Rated	556	0.68	0.54
Derivatives	205	0.25	0.01
Portfolio of investments	81,816	99.80	99.05
Net current assets	168	0.20	0.95
Total Net Assets	81,984	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		14,351,977	2,217,490
Revenue	2	737,215		2,023,248
Expenses	3	(316,991)		(318,879)
Finance costs: Interest	5	-	-	-
Net revenue before taxation		420,224		1,704,369
Taxation	4	-	-	-
Net revenue after taxation			420,224	1,704,369
Total return before distributions			14,772,201	3,921,859
Finance costs: Distributions	5		(420,231)	(1,704,390)
Change in net assets attributable to Shareholders from investment activities			14,351,970	2,217,469

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		86,315,896	138,311,553
Amounts receivable on issue of shares	100,100,303		26,127,625
Amounts payable on cancellation of shares	(119,380,981)		(81,802,068)
		(19,280,678)	(55,674,443)
Dilution adjustment		185,586	139,021
Change in net assets attributable to Shareholders from investment activities (see above)		14,351,970	2,217,469
Retained distributions on accumulation shares		410,851	1,322,296
Closing net assets attributable to Shareholders		81,983,625	86,315,896

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			81,863,584		85,499,622
Debtors	7	225,096		1,253,177	
Cash and bank balances	8	21,082		399,276	
Total other assets			246,178		1,652,453
Total assets			82,109,762		87,152,075
LIABILITIES					
Investment liabilities			(47,491)		(6,804)
Creditors	9	(65,427)		(829,359)	
Distribution payable on income shares		(13,219)		(16)	
Total other liabilities			(78,646)		(829,375)
Total liabilities			(126,137)		(836,179)
Net assets attributable to Shareholders			81,983,625		86,315,896

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Institutional Shares (Net Accumulation)						
Group 1	0.6018	0.1204	0.4814	0.0000	0.4814	1.6712
Group 2	0.6018	0.1204	0.4814	0.0000	0.4814	1.6712
X Shares (Net Income)						
Group 1	1.2503	0.2501	1.0002	0.0000	1.0002	2.1342
Group 2	1.2503	0.2501	1.0002	0.0000	1.0002	2.1342
			Gross Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Exempt Shares 2 (Gross Accumulation)						
Group 1			1.0632	0.0000	1.0632	2.6784
Group 2			0.5917	0.4715	1.0632	2.6784
X Shares (Gross Accumulation)						
Group 1			1.4598	0.0000	1.4598	3.0221
Group 2			1.4598	0.0000	1.4598	3.0221

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares (Net Accumulation)						
Group 1	0.2196	0.0439	0.1757	0.0000	0.1757	1.1765
Group 2	0.0000	0.0000	0.0000	0.1757	0.1757	1.1765
X Shares (Net Income)						
Group 1	0.8964	0.1793	0.7171	0.0000	0.7171	1.7155
Group 2	0.6134	0.1227	0.4907	0.2264	0.7171	1.7155
			Gross Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 2 (Gross Accumulation)						
Group 1			0.6722	0.0000	0.6722	2.0136
Group 2			0.0000	0.6722	0.6722	2.0136
X Shares (Gross Accumulation)						
Group 1			1.0201	0.0000	1.0201	2.3447
Group 2			0.6805	0.3396	1.0201	2.3447

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	14,220,429	2,005,977
Gains on forward currency contracts	267,247	253,088
Currency exchange losses	(119,550)	(38,072)
Activity charges	(16,149)	(3,503)
Net capital gains	14,351,977	2,217,490

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	4,935	4,317
Interest on debt securities	729,229	2,018,343
Stock lending	3,051	588
Total revenue	737,215	2,023,248

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	252,981	251,918
Administration fees	34,612	34,308
Registrar's disbursement fees	-	3
Safe custody charges	3,344	2,407
	290,937	288,636
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	21,373	21,436
	21,373	21,436
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	4,404	5,580
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	277	287
	4,681	8,807
Total expenses	316,991	318,879

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £4,700 (2014: £4,650) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax charge (see note 4b)	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	420,224	1,704,369
Corporation tax @ 20%	84,045	340,874
Effects of:		
Excess management expenses	59,156	63,658
Tax relief due to capital indexation loss	(143,201)	(542,328)
Unutilised loan relationship debits	-	137,796
Total current tax charge (see note 4a)	<u>-</u>	<u>-</u>

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of £3,213,796 (30/06/14: £3,154,640) in relation to surplus management expenses and non trade loan relationship deficits of £16,068,980 (30/06/2014: £15,773,198). No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim Interest 31 December - Exempt Shares 2 (Gross Accumulation)	112,506	401,872
Interim Interest 31 December - Institutional Shares (Net Accumulation)	22,334	77,790
Interim Interest 31 December - X Shares (Gross Accumulation)	59,204	129,641
Interim Interest 31 December - X Shares (Net Income)	20,897	9,664
Final Interest 30 June - Exempt Shares 2 (Gross Accumulation)	163,773	449,679
Final Interest 30 June - Institutional Shares (Net Accumulation)	22,432	97,169
Final Interest 30 June - X Shares (Gross Accumulation)	30,602	166,145
Final Interest 30 June - X Shares (Net Income)	13,219	16
Income tax withheld	11,679	53,381
	<u>456,646</u>	<u>1,385,357</u>
Amounts added on issue of shares	(2,907)	(69,185)
Amounts deducted on cancellation of shares	(33,508)	388,218
Net distributions for the year	<u>420,231</u>	<u>1,704,390</u>
Interest	-	-
Total finance costs	<u>420,231</u>	<u>1,704,390</u>

Notes to the Financial Statements (continued)

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	420,224	1,704,369
Undistributed revenue brought forward	7	28
Undistributed revenue carried forward	-	(7)
	420,231	1,704,390

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	181,629	213,422
Amount receivable for issue of shares	5,243	13,565
Sales awaiting settlement	38,224	1,026,190
	225,096	1,253,177

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	-	89,195
Cash held in BNY Mellon Sterling Liquidity Fund	21,082	310,081
	21,082	399,276

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	25,257	27,876
Amount payable for cancellation of shares	35,464	774,182
Income tax payable	4,706	27,301
	65,427	829,359

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £49,484 (30/06/14: £779,720).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	77,866,367	306,009	4,416,497	82,588,873	3.19	31.46
Australia	421,589	-	213,976	635,565		
Europe	-	-	676,639	676,639		
New Zealand	614,227	-	173,675	787,902		
United States of America	2,425,047	-	790,530	3,215,577		
	81,327,230	306,009	6,271,317	87,904,556		
Liabilities						
United Kingdom	-	-	(1,966,852)	(1,966,852)		
Australia	-	-	(678,285)	(678,285)		
Europe	-	-	(783,910)	(783,910)		
New Zealand	-	-	(822,996)	(822,996)		
United States of America	-	-	(1,668,888)	(1,668,888)		
	-	-	(5,920,931)	(5,920,931)		
Total	81,327,230	306,009	350,386	81,983,625		

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	83,852,189	-	2,676,557	86,528,746		
Europe	463,471	-	1,063	464,534		
New Zealand	894,269	-	100,885	995,154		
United States of America	681,306	-	172	681,478		
	85,891,235	-	2,778,677	88,669,912		
Liabilities						
United Kingdom	-	-	(928,370)	(928,370)		
Europe	-	-	(454,705)	(454,705)		
New Zealand	-	-	(970,941)	(970,941)		
United States of America	-	-	-	-		
	-	-	(2,354,016)	(2,354,016)		
Total	85,891,235	-	424,661	86,315,896		

Notes to the Financial Statements (continued)

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
BNY Mellon	(14,496)	(14,496)
JP Morgan	(1,136)	(1,136)
Royal Bank Of Scotland	182,670	182,670
State Street Bank	53,221	53,221
UBS	(16,323)	(16,323)
	203,936	203,936

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

Foreign currency risk

The fund has no significant exposure to foreign currency risk.

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, there were no investments subject to stock lending agreements.

As at 30 June 2014 £665,820 of investments were subject to stock lending agreements and the Fund held £732,428 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £3,814 (30/06/14: £735) and £763 (30/06/14: £147).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has four share classes; Exempt Shares 2 (Gross Accumulation), Institutional Shares (Net Accumulation), X Shares (Gross Accumulation) and X Shares (Net Income). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Exempt Shares 2 (Gross Accumulation)	0.20%	0.03%
Institutional Shares (Net Accumulation)	0.50%	0.03%
X Shares (Gross Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 418 to 419. The distributions are given in the distribution statements on page 425. All share classes have the same rights on winding up.

Exempt Shares 2 (Gross Accumulation) and X Shares (Gross Accumulation) are gross paying Shares which are available only to institutional investors who are wholly exempt from UK taxation otherwise than by reason of non-residence. The ACD may pay or accumulate interest distributions without deducting income tax from them in the case of institutional investors. Any eligible investor who wishes to benefit from this should contact the ACD who will provide an appropriate form to be completed and returned to it.

BNY MELLON INVESTMENT FUNDS – NEWTON INTERNATIONAL BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£585.83m
Comparative Index:	JP Morgan Global Government Bond Index (GBI) (unhedged)
Sector:	The Investment Association Global Bonds

Distribution Yield as at 30 June 2015:

Sterling Income Shares	0.81%
Euro Accumulation Shares	0.31%
Institutional Shares (Accumulation)	1.38%
Institutional Shares (Income)	1.38%
Exempt Shares 2 (Gross Accumulation)	1.58%
Institutional Shares W (Net Income)	1.38%
Institutional Shares W (Net Accumulation)	1.38%
Retail Advised Shares B (Net Income)	1.06%
Retail Advised Shares B (Net Accumulation)	1.06%

Key Dates: Fund Launch 01 February 1991

Investment Objective

The objective of the Fund is to maximise the total return from income and capital growth in the world bond markets through investment predominantly in Government and other public securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	-1.03%	-6.58%	-2.77%	5.63%	3.32%
Euro Accumulation Shares	-1.76%	-6.93%	-3.61%	5.71%	2.62%
Institutional Shares (Accumulation)	-0.57%	-6.16%	-2.32%	6.12%	3.78%
Institutional Shares (Income)	-0.58%	-6.15%	-2.32%	6.12%	3.79%
Exempt Shares 2 (Gross Accumulation)	-0.06%	-5.71%	-1.79%	6.63%	4.53%
Institutional Shares W (Net Income)*	-0.58%	-6.16%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-0.57%	-6.16%	n/a	n/a	n/a
P Shares (Net Accumulation)*	n/a	-6.54%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-0.90%	-6.43%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-0.83%	-6.39%	n/a	n/a	n/a
JP Morgan Global GBI Unhedged TR	0.61%	-5.53%	-1.71%	6.06%	2.65%

Source: Lipper as at 30 June 2015 – For all share classes except Exempt Shares 2 (Gross Accumulation) – Total return including revenue net of UK tax and annual charges. For Exempt Shares 2 (Gross Accumulation) - Total return including gross revenue and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned -1.03% against a return of 0.61% from the JP Morgan Global GBI Unhedged TR.

Over the period, the Fund posted a negative return and underperformed its comparative index. In the first half of the review period, an overweight position in the US dollar and a long Australian duration position provided positive contributions to relative returns. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). An underweight sterling duration stance was unhelpful, however, as Gilts rallied strongly. In addition, the zero duration exposure to Japanese government bonds detracted from relative returns. Both the UK and Japanese bond markets performed well, aided respectively by the weak European economic outlook and the Bank of Japan's quantitative easing programme (creating new money for use in the economy). Into 2015, the underweight duration stance in UK Gilts continued to provide a negative drag on the Fund's performance as this market rallied along with other core bond markets. But a long euro duration position and bias towards 'peripheral' European sovereign issuance aided relative returns in the first three months of 2015 amid the onset of the European Central Bank's quantitative easing programme. The overweight US duration position also proved beneficial at this time, although the long dollar/short sterling position was unhelpful as sterling rallied despite uncertainty leading up to the UK's general election. In the spring months, a rise in core bond yields led to a reversal of the trends experienced in the first three months – the overweight US and European duration positions proved negative for performance (despite being reduced), while the underweight duration position in UK Gilts was helpful. In Europe, growing worries about Greece's potential exit from the euro weighed on the performance of 'peripheral' European government bonds.

The Fund increased headline duration in the latter part of 2014 to move further overweight US and European interest-rate risk, but maintained a significant underweight exposure to Japanese government bonds (JGBs). At this time, the Fund also increased Australian government bond exposure to benefit from weak economic data from China. Divergent interest-rate and growth expectations between the US and the other developed markets supported an aggressive shift in favour of the US dollar at the expense of the Japanese yen, sterling and the euro in which the Fund's net exposure was underweight. Into 2015, the Fund's long-term zero duration in Japan was reduced with the purchase of 2044 JGBs. And the manager reduced the underweight exposure to European currencies by adding a 2% holding in the Danish krone. The overweight in the US dollar was maintained through to the end of the period.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases

US Treasury 2.875% Notes 15/5/2043
 US Treasury 1.5% Notes 31/10/2019
 US Treasury 1.625% Notes 15/8/2022
 US Treasury 6% Bonds 15/2/2026
 Poland (Government) 5.75% Bonds 23/9/2022
 US Treasury 1.25% Notes 30/11/2018
 US Treasury 0.875% Notes 28/2/2017
 France (Government) 6% Bonds 25/10/2025
 Germany (Federal Republic) 6.5% Bonds 4/7/2027
 UK Treasury 3.25% Stock 22/1/2044

Sales

US Treasury 2.875% Notes 15/5/2043
 US Treasury 1.5% Notes 31/10/2019
 US Treasury 6% Bonds 15/2/2026
 US Treasury 1.625% Notes 15/8/2022
 US Treasury 1% Notes 31/3/2017
 US Treasury 1.125% Notes 31/5/2019
 Poland (Government) 5.75% Bonds 23/9/2022
 US Treasury 3.375% Bonds 15/4/2032
 US Treasury 0% Notes 19/3/2015
 UK Treasury 1.25% Stock 22/11/2017

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	216.42	190.25	3.9288
2011	223.78	197.63	2.6010
2012	223.11	208.41	2.1343
2013	222.07	194.19	1.5204
2014	205.12	192.37	1.6142
2015	212.73	190.89	0.6137
Euro Accumulation Shares	Cents	Cents	Cents
2010	153.41	126.53	2.1971
2011	157.83	134.94	1.2124
2012	172.21	150.76	0.9468
2013	158.89	141.02	0.4897
2014	157.06	142.31	0.6417
2015	180.45	164.17	0.1823
Institutional Shares (Accumulation)	Pence	Pence	Pence
2010	252.13	218.69	5.6291
2011	266.01	232.68	4.2034
2012	267.48	249.68	3.7513
2013	269.81	237.81	3.0179
2014	253.80	237.33	3.1041
2015	265.08	238.07	1.3421
Institutional Shares (Income)	Pence	Pence	Pence
2010	229.18	201.17	5.1490
2011	236.89	209.10	3.7612
2012	236.39	220.65	3.3033
2013	235.01	205.82	2.6209
2014	217.16	203.40	2.6623
2015	225.21	202.27	1.1379
Exempt Shares 2 (Gross Accumulation)	Pence	Pence	Pence
2010	167.89	144.67	4.9928
2011	178.05	155.27	3.8422
2012	179.88	167.62	3.5015
2013	182.08	161.12	2.8945
2014	172.65	160.80	2.9656
2015	180.77	162.50	1.3141
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 22 June)	102.15	98.27	0.5702
2013 (to 23 September)	102.25	92.57	0.4213
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 September)	100.81	97.72	0.7459
2013	101.54	88.93	1.1323
2014	93.82	87.88	1.1503
2015	97.31	87.39	0.4931
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 September)	100.81	97.72	0.7460
2013	102.33	90.19	1.1445
2014	96.26	90.01	1.1775
2015	100.54	90.29	0.5095

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
P Shares (Net Accumulation)***	Pence	Pence	Pence
2012 (from 16 October)	100.84	97.71	0.2195
2013	102.23	89.80	0.7554
2014	95.54	59.58	0.8048
2015 (to 16 April)	99.59	95.12	0.0000

***P Shares (Net Accumulation) share class closed 16 April 2015.

Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 3 October)	101.06	97.93	0.5672
2013	101.90	89.15	0.8899
2014	94.11	88.21	0.9221
2015	97.53	87.55	0.3302

Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 October)	101.06	97.93	0.5674
2013	102.50	90.15	0.8973
2014	96.01	89.96	0.9387
2015	100.15	89.90	0.3856

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	508,256,761	209.80	242,256,803
30/06/2014	338,696,087	194.00	174,582,315
30/06/2015	237,680,542	190.76	124,597,179

Euro Accumulation Shares		Cents	
30/06/2013	688,343	149.21	538,303
30/06/2014	287,177	148.08	242,208
30/06/2015	179,967	165.22 **	153,744

**Euro/Sterling exchange rate at close of business 30 June 2015: 1.4115

Institutional Shares (Accumulation)		Pence	
30/06/2013	39,379,856	256.33	15,362,675
30/06/2014	41,007,882	239.72	17,106,483
30/06/2015	43,829,186	238.69	18,362,032

Institutional Shares (Income)		Pence	
30/06/2013	159,340,966	221.85	71,825,101
30/06/2014	166,765,603	205.11	81,304,165
30/06/2015	157,038,690	201.66	77,873,372

Exempt Shares 2 (Gross Accumulation)		Pence	
30/06/2013	286,528	173.25	165,382
30/06/2014	305,269	162.80	187,514
30/06/2015	333,822	162.94	204,877

P Shares (Net Income)***		Pence	
30/06/2012	15,019	100.13	15,000
30/06/2013	317,457	96.59	328,666

***P Shares (Net Income) share class closed 23 September 2013.

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares W (Net Income)		Pence	
30/06/2013	22,018,001	95.85	22,970,726
30/06/2014	23,746,006	88.62	26,794,585
30/06/2015	127,867,862	87.13	146,757,491
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	1,645,011	97.22	1,692,113
30/06/2014	5,906,151	90.91	6,496,355
30/06/2015	18,867,606	90.53	20,841,490
P Shares (Net Accumulation)****		Pence	
30/06/2013	8,524	97.00	8,788
30/06/2014	7,939	90.35	8,787
****P Shares (Net Accumulation) share class closed 16 April 2015.			
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	4,839	96.23	5,029
30/06/2014	66,826	88.96	75,121
30/06/2015	4,483	87.44	5,127
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	15,967	97.29	16,412
30/06/2014	18,837	90.75	20,756
30/06/2015	32,521	90.14	36,080

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.14	1.13
Euro Accumulation Shares	1.64	1.63
Institutional Shares (Accumulation)	0.57	0.56
Institutional Shares (Income)	0.57	0.56
Exempt Shares 2 (Gross Accumulation)	0.37	0.36
Institutional Shares W (Net Income)	0.57	0.56
Institutional Shares W (Net Accumulation)	0.57	0.56
P Shares (Net Accumulation)****	n/a	1.06
Retail Advised Shares B (Net Income)	0.89	0.88
Retail Advised Shares B (Net Accumulation)	0.89	0.88

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

****P Shares (Net Accumulation) share class closed 16 April 2015.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 5.75% (8.96%)			
Treasury 1.75% Bonds 7/9/2022	£13,870,000	13,803,077	2.36
Treasury 0.125% Index Linked Gilts 22/11/2019	£10,200,000	11,223,257	1.92
Treasury 3.25% Stock 22/1/2044	£7,825,000	8,636,257	1.47
USA Government Bonds 27.85% (19.21%)			
US Treasury 0% Notes 27/8/2015	USD 13,600,000	8,647,618	1.48
US Treasury 0.125% Index Linked Bonds 15/4/2020	USD 13,250,000	8,578,532	1.46
US Treasury 0.875% Notes 28/2/2017	USD 44,710,000	28,583,176	4.88
US Treasury 1% Notes 31/3/2017	USD 30,150,000	19,314,634	3.30
US Treasury 1.25% Notes 30/11/2018	USD 27,450,000	17,486,786	2.99
US Treasury 1.5% Notes 31/10/2019	USD 26,010,000	16,535,853	2.82
US Treasury 1.625% Notes 15/8/2022	USD 32,590,000	20,061,801	3.43
US Treasury 2.375% Notes 15/1/2025	USD 18,450,000	17,304,361	2.95
US Treasury 2.875% Notes 15/5/2043	USD 44,100,000	26,616,994	4.54
Australia Government Bonds 3.91% (0.00%)			
Australia (Commonwealth) 3.75% Bonds 21/4/2037	AUD 5,425,000	2,689,169	0.46
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD 4,630,000	3,253,264	0.55
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 29,190,000	16,984,323	2.90
Brazil Government Bonds 2.20% (2.67%)			
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL 86,000,000	12,890,165	2.20
Denmark Government Bonds 1.66% (0.00%)			
Denmark Government 1.75% Bonds 15/11/2025	DKK 25,460,000	2,591,094	0.44
Kommunekredit 0.875% European Medium Term Notes 29/7/2016	USD 11,200,000	7,148,857	1.22
France Government Bonds 7.92% (3.42%)			
Agence Francaise de Development 1.125% Bonds 3/10/2016	USD 10,800,000	6,901,507	1.18
Caisse d'Amortissement de la Dette Sociale 1.375% Bonds 29/1/2018	USD 12,400,000	7,936,568	1.36
France (Government) 5.5% Bonds 25/4/2029	EUR 9,360,000	9,849,201	1.68
France (Government) 6% Bonds 25/10/2025	EUR 17,150,000	17,835,544	3.04
SNCF Réseau 1.125% European Medium Term Notes 25/5/2030	EUR 6,100,000	3,883,688	0.66
Germany Government Bonds 3.11% (1.52%)			
Germany (Federal Republic) 6.5% Bonds 4/7/2027	EUR 15,835,000	18,204,415	3.11
Ireland Government Bonds 3.41% (1.28%)			
Ireland (Republic) 4.5% Bonds 18/4/2020	EUR 9,320,000	7,791,401	1.33
Ireland (Republic) 5.4% Bonds 13/3/2025	EUR 12,940,000	12,199,514	2.08
Italy Government Bonds 1.57% (4.25%)			
Italy (Republic) 4.75% Bonds 1/9/2028	EUR 10,600,000	9,171,272	1.57
Norway Government Bonds 1.11% (0.00%)			
Kommunalbanken 0.36235% Bonds Floating Rate 2/5/2019	USD 10,200,000	6,480,603	1.11
Mexico Government Bonds 1.83% (1.74%)			
Mexico (Government) 4.75% Bonds 14/6/2018	MXN 263,830,000	10,740,558	1.83
Morocco Government Bonds 0.55% (0.00%)			
Morocco (Government) 3.5% Bond 19/6/2024	EUR 1,713,000	1,242,426	0.21
Morocco (Government) 4.5% Bond 5/10/2020	EUR 2,580,000	2,004,961	0.34
Netherlands Government Bonds 4.36% (3.48%)			
Netherlands (Kingdom) 1% Bond 24/2/2017	USD 23,830,000	15,220,471	2.59
Netherlands (Kingdom) 5.5% Bonds 15/1/2028	EUR 9,780,000	10,345,861	1.77

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
New Zealand Government Bonds 1.01% (1.16%)			
New Zealand (Government) 2% Notes 20/9/2025	NZD 13,510,000	5,927,289	1.01
Peru Government Bonds 0.47% (0.00%)			
Peru (Republic) 6.95% Bonds 12/8/2031	PEN 13,890,000	2,728,276	0.47
Poland Government Bonds 1.34% (1.51%)			
Poland (Government) 5.75% Bonds 23/9/2022	PLN 39,860,000	7,861,345	1.34
Singapore Government Bonds 1.00% (1.56%)			
Singapore (Government) 2.5% Bond 1/6/2019	SGD 12,028,000	5,874,701	1.00
Spain Government Bonds 3.13% (2.08%)			
Fondo de Amortizacion del Deficit Electrico 0.85% Bonds 17/9/2019	EUR 8,100,000	5,635,683	0.96
Spain (Kingdom) 4.4% Bonds 31/10/2023	EUR 3,820,000	3,180,347	0.54
Spain (Kingdom) 5.15% Bonds 31/10/2028	EUR 10,610,000	9,508,785	1.63
Sterling Denominated Corporate Bonds 0.67% (4.41%)			
Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044	GBP 3,480,000	3,948,199	0.67
Non-Sterling Denominated Floating Rate Notes 3.38% (9.84%)			
Eurofima 0.3376% European Medium Term Floating Rate Notes 10/6/2016	USD 11,400,000	7,245,201	1.24
Inter-American Development Bank 0.2699% Guranteed Medium Term Floating Rate Notes 12/9/2018	USD 10,800,000	6,873,207	1.17
Landwirtschaftliche Rentenbank 3.275% Medium Term Floating Rate Notes 27/1/2016	AUD 11,600,000	5,683,161	0.97
Non-Sterling Denominated Corporate Bonds 18.05% (21.70%)			
Asian Development Bank 0.5% Guranteed Medium Term Notes 25/1/2017	TRY 9,020,000	1,821,662	0.31
Banca Monte dei Paschi di Siena SpA 3.5% Bond 20/3/2017	EUR 8,200,000	6,047,028	1.03
Caisse Centrale du Credit Immobilier de France 0.25% European Medium Term Notes 25/11/2018	EUR 7,300,000	5,186,801	0.89
Dexia Credit Local 2.25% Bonds 30/1/2019	USD 8,740,000	5,654,936	0.97
Dexia Credit Local SA 1% European Medium Term Notes 11/7/2016	EUR 4,480,000	3,203,449	0.55
Eurofima 5.25% European Medium Term Notes 7/4/2016	USD 8,450,000	5,570,112	0.95
European Investment Bank 4.875% Bonds 15/2/2036	USD 5,150,000	4,010,867	0.68
FMS Wertmanagement 0.375% Bonds 29/4/2030	EUR 12,700,000	7,800,310	1.33
FMS Wertmanagement 1.625% Bonds 20/11/2018	USD 9,930,000	6,372,343	1.09
FMS Wertmanagement 3% European Medium Term Notes 8/9/2021	EUR 5,400,000	4,412,863	0.75
German Postal Pensions Securitisation 2 4.25% Bonds 18/1/2017	EUR 8,800,000	6,633,199	1.13
International Bank for Reconstruction & Development 0.5% Bonds 15/4/2016	USD 8,790,000	5,595,072	0.96
International Bank for Reconstruction & Development 3.375% Medium Term Notes 13/8/2017	NZD 14,250,000	6,143,925	1.05
KFW 1% Bonds 11/6/2018	USD 7,712,000	4,879,817	0.83
Kommunalbanken 0.5% Bonds 29/3/2016	USD 8,930,000	5,674,658	0.97
Landwirtschaftliche Rentenbank 4% Medium Term Notes 30/1/2020	NZD 11,520,000	5,022,940	0.86
Municipality Finance 2.375% European Medium Term Notes 16/5/2016	USD 8,830,000	5,708,592	0.97
Oesterreichische Kontrollbank AG 1.75% Bonds 5/10/2015	USD 3,970,000	2,533,434	0.43
Svensk Exportkredit 0.625% Bonds 31/5/2016	USD 9,000,000	5,730,197	0.98
Svensk Exportkredit 2.875% Bonds 14/11/2023	USD 6,509,000	4,127,237	0.70
Svensk Exportkredit 5.125% Bonds 1/3/2017	USD 5,326,000	3,628,253	0.62
Derivatives 0.41% (-0.19%)			
AUD Forward Foreign Currency Contracts 0.11% (-0.02%)			
Forward Foreign Currency Contracts 11/09/15	AUD(22,939,095)	(11,172,417)	(1.91)
Forward Foreign Currency Contracts 11/09/15	£11,582,990	11,582,990	1.98
Forward Foreign Currency Contracts 11/09/15	AUD(11,428,000)	(5,565,973)	(0.95)
Forward Foreign Currency Contracts 11/09/15	JPY1,097,682,256	5,712,121	0.98
Forward Foreign Currency Contracts 11/09/15	AUD(11,775,829)	(5,735,382)	(0.98)
Forward Foreign Currency Contracts 11/09/15	USD9,105,045	5,792,431	0.99

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
BRL Forward Foreign Currency Contracts -0.01% (-0.04%)			
Forward Foreign Currency Contracts 11/09/15	BRL(20,987,000)	(4,187,195)	(0.71)
Forward Foreign Currency Contracts 11/09/15	£4,240,912	4,240,912	0.72
Forward Foreign Currency Contracts 11/09/15	BRL(42,166,000)	(8,412,696)	(1.44)
Forward Foreign Currency Contracts 11/09/15	USD13,058,453	8,307,503	1.42
CAD Forward Foreign Currency Contracts -0.06% (-0.05%)			
Forward Foreign Currency Contracts 11/09/15	CAD21,415,630	10,902,289	1.86
Forward Foreign Currency Contracts 11/09/15	£(11,248,490)	(11,248,490)	(1.92)
Forward Foreign Currency Contracts 11/09/15	CAD(6,808,841)	(3,466,251)	(0.59)
Forward Foreign Currency Contracts 11/09/15	USD5,458,597	3,472,640	0.59
EUR Forward Foreign Currency Contracts -0.06% (-0.10%)			
Forward Foreign Currency Contracts 11/09/15	EUR(19,666,385)	(13,954,313)	(2.38)
Forward Foreign Currency Contracts 11/09/15	DKK146,484,220	13,948,346	2.38
Forward Foreign Currency Contracts 11/09/15	EUR(22,787,184)	(16,168,680)	(2.76)
Forward Foreign Currency Contracts 11/09/15	£16,494,880	16,494,880	2.82
Forward Foreign Currency Contracts 11/09/15	EUR(13,463,732)	(9,553,211)	(1.63)
Forward Foreign Currency Contracts 11/09/15	£9,758,636	9,758,636	1.67
Forward Foreign Currency Contracts 11/09/15	EUR38,707,517	27,464,976	4.69
Forward Foreign Currency Contracts 11/09/15	£(28,242,166)	(28,242,166)	(4.82)
Forward Foreign Currency Contracts 11/09/15	EUR(6,240,000)	(4,427,601)	(0.76)
Forward Foreign Currency Contracts 11/09/15	JPY863,576,376	4,493,880	0.77
Forward Foreign Currency Contracts 11/09/15	EUR(1,012,000)	(718,066)	(0.12)
Forward Foreign Currency Contracts 11/09/15	USD1,141,817	726,399	0.12
Forward Foreign Currency Contracts 11/09/15	EUR6,571,000	4,662,463	0.80
Forward Foreign Currency Contracts 11/09/15	USD(7,496,315)	(4,768,992)	(0.81)
Forward Foreign Currency Contracts 11/09/15	EUR855,000	606,666	0.10
Forward Foreign Currency Contracts 11/09/15	USD(964,350)	(613,498)	(0.11)
Forward Foreign Currency Contracts 11/09/15	EUR(21,200,503)	(15,042,848)	(2.57)
Forward Foreign Currency Contracts 11/09/15	USD23,510,321	14,956,753	2.55
DKK Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 11/09/15	DKK81,097,507	7,722,170	1.32
Forward Foreign Currency Contracts 11/09/15	£(8,006,123)	(8,006,123)	(1.37)
Forward Foreign Currency Contracts 11/09/15	DKK(111,482,103)	(10,615,416)	(1.81)
Forward Foreign Currency Contracts 11/09/15	£10,920,351	10,920,351	1.86
Forward Foreign Currency Contracts 11/09/15	DKK4,767,077	453,925	0.08
Forward Foreign Currency Contracts 11/09/15	USD(712,597)	(453,339)	(0.08)
JPY Forward Foreign Currency Contracts -0.60% (-0.27%)			
Forward Foreign Currency Contracts 11/09/15	JPY34,280,364,989	178,388,232	30.45
Forward Foreign Currency Contracts 11/09/15	£(180,667,350)	(180,667,350)	(30.84)
Forward Foreign Currency Contracts 11/09/15	JPY(1,168,449,000)	(6,080,377)	(1.04)
Forward Foreign Currency Contracts 11/09/15	USD9,373,727	5,963,361	1.02
Forward Foreign Currency Contracts 11/09/15	JPY(13,629,608,445)	(70,925,784)	(12.11)
Forward Foreign Currency Contracts 11/09/15	USD109,718,880	69,800,758	11.91
Forward Foreign Currency Contracts 11/09/15	JPY975,410,000	5,075,840	0.87
Forward Foreign Currency Contracts 11/09/15	USD(7,948,295)	(5,056,532)	(0.86)
Forward Foreign Currency Contracts 11/09/15	JPY(196,864,000)	(1,024,441)	(0.17)
Forward Foreign Currency Contracts 11/09/15	USD1,585,336	1,008,556	0.17
MXN Forward Foreign Currency Contracts -0.00% (-0.03%)			
Forward Foreign Currency Contracts 11/09/15	MXN(7,618,814)	(307,321)	(0.05)
Forward Foreign Currency Contracts 11/09/15	£316,863	316,863	0.05

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
MXN Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 11/09/15	MXN36,208,259	1,460,535	0.25
Forward Foreign Currency Contracts 11/09/15	£(1,515,057)	(1,515,058)	(0.26)
Forward Foreign Currency Contracts 11/09/15	MXN(293,162,976)	(11,825,335)	(2.02)
Forward Foreign Currency Contracts 11/09/15	USD18,733,992	11,918,157	2.03
NOK Forward Foreign Currency Contracts 0.00% (0.01%)			
Forward Foreign Currency Contracts 11/09/15	NOK(10,585,390)	(854,510)	(0.15)
Forward Foreign Currency Contracts 11/09/15	£882,872	882,872	0.15
Forward Foreign Currency Contracts 11/09/15	NOK114,926,443	9,277,486	1.58
Forward Foreign Currency Contracts 11/09/15	USD(14,607,342)	(9,292,872)	(1.58)
Forward Foreign Currency Contracts 11/09/15	NOK33,084,000	2,670,720	0.46
Forward Foreign Currency Contracts 11/09/15	USD(4,247,420)	(2,702,116)	(0.46)
NZD Forward Foreign Currency Contracts 0.26% (0.04%)			
Forward Foreign Currency Contracts 11/09/15	NZD(41,659,634)	(17,813,253)	(3.04)
Forward Foreign Currency Contracts 11/09/15	£19,319,693	19,319,693	3.30
Forward Foreign Currency Contracts 11/09/15	NZD1,870,150	799,658	0.14
Forward Foreign Currency Contracts 11/09/15	USD(1,324,494)	(842,614)	(0.14)
PEN Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 11/09/15	PEN(13,885,000)	(2,750,723)	(0.47)
Forward Foreign Currency Contracts 11/09/15	USD4,336,352	2,758,693	0.47
PLN Forward Foreign Currency Contracts 0.02% (0.00%)			
Forward Foreign Currency Contracts 11/09/15	PLN(1,504,445)	(253,983)	(0.04)
Forward Foreign Currency Contracts 11/09/15	£264,955	264,955	0.05
Forward Foreign Currency Contracts 11/09/15	PLN(49,490,540)	(8,355,090)	(1.43)
Forward Foreign Currency Contracts 11/09/15	USD13,298,618	8,460,290	1.44
SEK Forward Foreign Currency Contracts -0.01% (0.06%)			
Forward Foreign Currency Contracts 11/09/15	SEK50,532,310	3,880,226	0.66
Forward Foreign Currency Contracts 11/09/15	£(3,928,038)	(3,928,038)	(0.67)
Forward Foreign Currency Contracts 11/09/15	SEK(21,406,995)	(1,643,780)	(0.28)
Forward Foreign Currency Contracts 11/09/15	USD2,540,364	1,616,124	0.28
SGD Forward Foreign Currency Contracts -0.02% (0.00%)			
Forward Foreign Currency Contracts 11/09/15	SGD6,357,794	3,000,731	0.51
Forward Foreign Currency Contracts 11/09/15	£(3,085,153)	(3,085,153)	(0.53)
Forward Foreign Currency Contracts 11/09/15	SGD(19,103,000)	(9,016,173)	(1.54)
Forward Foreign Currency Contracts 11/09/15	USD14,143,393	8,997,718	1.54
TRY Forward Foreign Currency Contracts 0.01% (0.01%)			
Forward Foreign Currency Contracts 11/09/15	TRY(7,042,000)	(1,638,067)	(0.28)
Forward Foreign Currency Contracts 11/09/15	£1,669,468	1,669,468	0.29
USD Forward Foreign Currency Contracts 0.77% (0.22%)			
Forward Foreign Currency Contracts 11/09/15	USD8,800,337	5,598,582	0.96
Forward Foreign Currency Contracts 11/09/15	£(5,539,628)	(5,539,628)	(0.94)
Forward Foreign Currency Contracts 11/09/15	USD12,982,981	8,259,489	1.41
Forward Foreign Currency Contracts 11/09/15	£(8,203,756)	(8,203,756)	(1.40)
Forward Foreign Currency Contracts 11/09/15	USD(26,605,378)	(16,925,761)	(2.89)
Forward Foreign Currency Contracts 11/09/15	£16,952,644	16,952,644	2.89
Forward Foreign Currency Contracts 11/09/15	USD32,280,789	20,536,334	3.51
Forward Foreign Currency Contracts 11/09/15	£(20,302,000)	(20,302,000)	(3.47)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 11/09/15	USD(228,515,866)	(145,376,810)	(24.82)
Forward Foreign Currency Contracts 11/09/15	£149,660,197	149,660,196	25.55
Forward Foreign Currency Contracts 11/09/15	USD31,065,724	19,763,336	3.37
Forward Foreign Currency Contracts 11/09/15	£(19,907,945)	(19,907,945)	(3.40)
Forward Foreign Currency Contracts 11/09/15	USD(18,721,077)	(11,909,941)	(2.03)
Forward Foreign Currency Contracts 11/09/15	£11,916,064	11,916,064	2.03
Portfolio of investments*		554,721,941	94.69
Net current assets		31,112,738	5.31
Total Net Assets		585,834,679	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Azerbaijan Government Bonds, Belgium Government Bonds, Bermuda Government Bonds, Bulgaria Government Bonds, Canada Government Bonds, South Korea Government Bonds, Slovenia Government Bonds and Sweden Government Bonds portfolio categories, which, at 30 June 2014, represented 0.54%, 1.91%, 0.26%, 1.01%, 2.16%, 1.03%, 0.19% and 3.34%, respectively of the Total Net Assets of the Fund.

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt securities issued by the relevant companies or issuers.

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	94,835	16.19	44.15
AA	219,116	37.39	10.86
A	30,581	5.22	5.09
BBB	32,954	5.63	7.07
Not rated (by S&P)	174,895	29.85	32.06
Derivatives	2,341	0.41	(0.19)
Portfolio of investments	554,722	94.69	99.04
Net current assets	31,113	5.31	0.96
Total Net Assets	585,835	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital losses	1		(10,148,992)	(52,826,112)
Revenue	2	12,262,609		12,564,845
Expenses	3	(4,971,392)		(5,959,003)
Finance costs: Interest	5	(842)		(364)
Net revenue before taxation		7,290,375		6,605,478
Taxation	4	-		-
Net revenue after taxation			7,290,375	6,605,478
Total return before distributions			(2,858,617)	(46,220,634)
Finance costs: Distributions	5		(7,267,896)	(6,641,478)
Change in net assets attributable to Shareholders from investment activities			(10,126,513)	(52,862,112)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		576,807,777	731,962,253
Amounts receivable on issue of shares	145,346,827		56,753,702
Amounts payable on cancellation of shares	(126,965,184)		(159,564,922)
		18,381,643	(102,811,220)
Dilution adjustment		51,658	17,373
Change in net assets attributable to Shareholders from investment activities (see above)		(10,126,513)	(52,862,112)
Retained distributions on accumulation shares		718,982	500,618
Unclaimed distributions		1,132	865
Closing net assets attributable to Shareholders		585,834,679	576,807,777

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets*			560,444,161	575,417,544
Debtors	7	17,604,543	16,749,823	
Cash and bank balances	8	<u>41,495,960</u>	<u>5,697,290</u>	
Total other assets			<u>59,100,503</u>	<u>22,447,113</u>
Total assets			619,544,664	597,864,657
LIABILITIES				
Investment liabilities			(5,722,220)	(4,164,558)
Overdrawn cash and bank balances	8	(209)	-	
Creditors	9	(25,613,128)	(14,718,584)	
Distribution payable on income shares		<u>(2,374,428)</u>	<u>(2,173,738)</u>	
Total other liabilities			<u>(27,987,765)</u>	<u>(16,892,322)</u>
Total liabilities			(33,709,985)	(21,056,880)
Net assets attributable to Shareholders			<u>585,834,679</u>	<u>576,807,777</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.7671	0.1534	0.6137	0.0000	0.6137	0.6369
Group 2	0.4064	0.0813	0.3251	0.2886	0.6137	0.6369
Institutional Shares (Accumulation)						
Group 1	1.6776	0.3355	1.3421	0.0000	1.3421	1.3284
Group 2	1.3083	0.2617	1.0466	0.2955	1.3421	1.3284
Institutional Shares (Income)						
Group 1	1.4224	0.2845	1.1379	0.0000	1.1379	1.1429
Group 2	0.7799	0.1560	0.6239	0.5140	1.1379	1.1429
Institutional Shares W (Net Income)						
Group 1	0.6164	0.1233	0.4931	0.0000	0.4931	0.4938
Group 2	0.2764	0.0553	0.2211	0.2720	0.4931	0.4938
Institutional Shares W (Net Accumulation)						
Group 1	0.6369	0.1274	0.5095	0.0000	0.5095	0.5038
Group 2	0.2801	0.0560	0.2241	0.2854	0.5095	0.5038
P Shares (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.3208
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.3208
Retail Advised Shares B (Net Income)						
Group 1	0.4128	0.0826	0.3302	0.0000	0.3302	0.3813
Group 2	0.3280	0.0656	0.2624	0.0678	0.3302	0.3813
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4820	0.0964	0.3856	0.0000	0.3856	0.3873
Group 2	0.0733	0.0147	0.0586	0.3270	0.3856	0.3873
			Gross Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Exempt Shares 2 (Gross Accumulation)						
Group 1			1.3141	0.0000	1.3141	1.2884
Group 2			0.5026	0.8115	1.3141	1.2884

Final interest distribution in cents per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Euro Accumulation Shares						
Group 1	0.2279	0.0456	0.1823	0.0000	0.1823	0.1890
Group 2	0.1033	0.0207	0.0826	0.0997	0.1823	0.1890

Distribution Statements (continued)**Interim interest distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.2216	0.2443	0.9773	0.0000	0.9773	0.6651
Group 2	0.6748	0.1350	0.5398	0.4375	0.9773	0.6651
Institutional Shares (Accumulation)						
Group 1	2.2196	0.4439	1.7757	0.0000	1.7757	1.3864
Group 2	1.0813	0.2163	0.8650	0.9107	1.7757	1.3864
Institutional Shares (Income)						
Group 1	1.8993	0.3799	1.5194	0.0000	1.5194	1.1999
Group 2	1.6969	0.3394	1.3575	0.1619	1.5194	1.1999
Institutional Shares W (Net Income)						
Group 1	0.8206	0.1641	0.6565	0.0000	0.6565	0.5184
Group 2	0.3226	0.0645	0.2581	0.3984	0.6565	0.5184
Institutional Shares W (Net Accumulation)						
Group 1	0.8421	0.1684	0.6737	0.0000	0.6737	0.5258
Group 2	0.5195	0.1039	0.4156	0.2581	0.6737	0.5258
P Shares (Net Accumulation)						
Group 1	0.6050	0.1210	0.4840	0.0000	0.4840	0.3341
Group 2	0.6050	0.1210	0.4840	0.0000	0.4840	0.3341
Retail Advised Shares B (Net Income)						
Group 1	0.6760	0.1352	0.5408	0.0000	0.5408	0.3994
Group 2	0.4988	0.0998	0.3990	0.1418	0.5408	0.3994
Retail Advised Shares B (Net Accumulation)						
Group 1	0.6893	0.1379	0.5514	0.0000	0.5514	0.4039
Group 2	0.2314	0.0463	0.1851	0.3663	0.5514	0.4039

	Gross Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 2 (Gross Accumulation)				
Group 1	1.6772	0.0000	1.6772	1.3427
Group 2	1.2520	0.4252	1.6772	1.3427

Interim interest distribution in cents per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Euro Accumulation Shares						
Group 1	0.5659	0.1132	0.4527	0.0000	0.4527	0.1862
Group 2	0.2894	0.0579	0.2315	0.2212	0.4527	0.1862

Notes to the Financial Statements

1 Net capital losses

The net capital losses on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Losses on non-derivative securities	(8,768,125)	(39,280,984)
Gains on derivative contracts	284,799	-
Gains/(losses) on forward currency contracts	1,729,892	(13,343,373)
Currency exchange losses	(3,339,311)	(178,235)
Activity charges	(56,247)	(23,520)
Net capital losses	(10,148,992)	(52,826,112)

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	69,828	77,561
Interest on debt securities	12,118,704	12,439,047
Stock lending	74,077	48,237
Total revenue	12,262,609	12,564,845

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	4,414,481	5,316,532
Administration fees	385,954	484,845
Registrar's disbursement fees	2,616	361
Safe custody charges	112,497	97,732
	4,915,548	5,899,470
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	46,817	49,053
Distribution reconciliation service	204	450
	47,021	49,503
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	8,544	7,980
- Non-audit services (tax compliance fee)†	-	1,764
Financial Conduct Authority fee	279	286
	8,823	10,030
Total expenses	4,971,392	5,959,003

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,750 (2014: £6,650) and £Nil (2014: £1,470) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	-
Total current tax charge (see note 4b)	-	-
b) Factors affecting the tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).		
The differences are explained below:		
Net revenue before taxation	7,290,375	6,605,478
Corporation tax @ 20%	1,458,075	1,321,096
Effects of:		
Tax deductible interest distributions	(1,458,075)	(1,321,096)
Total current tax charge (see note 4a)	-	-

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of nil (30/06/14: nil) in relation to surplus management expenses of nil (30/06/14: nil). No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim interest 31 December - Sterling Income Shares	1,506,036	1,343,633
Interim interest 31 December - Euro Accumulation Shares	470	433
Interim interest 31 December - Institutional Shares (Accumulation)	284,575	215,115
Interim interest 31 December - Institutional Shares (Income)	1,203,178	999,005
Interim interest 31 December - Exempt Shares 2 (Gross Accumulation)	2,850	2,396
Interim interest 31 December - Institutional Shares W (Net Income)	201,635	155,122
Interim interest 31 December - Institutional Shares W (Net Accumulation)	75,252	19,688
Interim interest 31 December - P Shares (Net Accumulation)	43	29
Interim interest 31 December - Retail Advised Shares B (Net Income)	406	20
Interim interest 31 December - Retail Advised Shares B (Net Accumulation)	149	94
Final interest 30 June - Sterling Income Shares	764,683	1,111,915
Final interest 30 June - Euro Accumulation Shares	199	367
Final interest 30 June - Institutional Shares (Accumulation)	246,435	227,243
Final interest 30 June - Institutional Shares (Income)	886,096	929,225
Final interest 30 June - Exempt Shares 2 (Gross Accumulation)	2,692	2,416
Final interest 30 June - Institutional Shares W (Net Income)	723,632	132,312
Final interest 30 June - Institutional Shares W (Net Accumulation)	106,178	32,729
Final interest 30 June - P Shares (Net Accumulation)	-	28
Final interest 30 June - Retail Advised Shares B (Net Income)	17	286
Final interest 30 June - Retail Advised Shares B (Net Accumulation)	139	80
Income tax withheld	1,456,322	1,320,146
	7,460,987	6,492,282
Amounts added on issue of shares	(426,778)	(154,065)
Amounts deducted on cancellation of shares	233,687	303,261
Net distributions for the year	7,267,896	6,641,478
Interest	842	364
Total finance costs	7,268,738	6,641,842

Notes to the Financial Statements (continued)**5 Finance costs (continued)****6 Net movement between revenue after taxation and distributions**

	30/06/2015 £	30/06/2014 £
Net revenue after taxation	7,290,375	6,605,478
Equalisation on conversions	(22,592)	35,926
Undistributed revenue brought forward	113	187
Undistributed revenue carried forward	-	(113)
	7,267,896	6,641,478

7 Debtors

	30/06/2015 £	30/06/2014 £
Accrued revenue	4,551,148	4,013,602
Amount receivable for issue of shares	1,149,613	27,543
Amounts receivable on open currency contracts	11,903,782	-
Sales awaiting settlement	-	12,708,678
	17,604,543	16,749,823

8 Cash & bank balances

	30/06/2015 £	30/06/2014 £
Cash held at bank	-	174,680
Cash held in BNY Mellon Sterling Liquidity Fund	41,495,960	5,522,610
	41,495,960	5,697,290

Overdrawn cash and bank balances

Bank overdraft	(209)	-
	(209)	-

9 Creditors

	30/06/2015 £	30/06/2014 £
Accrued expenses	422,527	453,400
Amount payable for cancellation of shares	765,429	1,749,176
Amounts payable on open currency contracts	11,910,067	-
Income tax payable	611,323	632,982
Purchases awaiting settlement	11,903,782	11,883,026
	25,613,128	14,718,584

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees and safe custody charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £29,080 (30/06/14: £2,162,475 due from the ACD).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	41,495,960	37,610,790	255,333,817	334,440,567	1.71	13.55
Australia	5,683,161	22,926,756	137,722	28,747,639	4.19	12.47
Brazil	-	12,890,165	-	12,890,165	0.00	2.51
Canada	-	-	10,902,289	10,902,289		
Denmark	-	2,591,094	22,150,756	24,741,850	1.63	10.39
Europe	-	144,136,748	35,244,716	179,381,464	3.29	9.63
Japan	-	-	193,670,074	193,670,074		
Mexico	-	10,740,558	1,477,463	12,218,021	4.73	2.96
New Zealand	-	17,094,154	963,507	18,057,661	3.07	5.66
Norway	-	-	11,948,206	11,948,206		
Peru	-	2,728,276	73,640	2,801,916	7.08	16.13
Poland	-	7,861,345	297,256	8,158,601	4.93	7.24
Singapore	-	5,874,701	3,011,983	8,886,684	2.42	3.92
Sweden	-	-	3,880,227	3,880,227		
Turkey	-	1,821,662	4,609	1,826,271	0.59	1.58
United States of America	20,599,011	259,822,676	210,946,191	491,367,878	1.57	6.05
	67,778,132	526,098,925	750,042,456	1,343,919,513		
Liabilities						
United Kingdom	(209)	-	(306,729,481)	(306,729,690)		
Australia	-	-	(22,473,772)	(22,473,772)		
Brazil	-	-	(12,599,891)	(12,599,891)		
Canada	-	-	(3,466,251)	(3,466,251)		
Denmark	-	-	(10,615,416)	(10,615,416)		
Europe	-	-	(59,864,719)	(59,864,719)		
Japan	-	-	(78,030,602)	(78,030,602)		
Mexico	-	-	(12,132,656)	(12,132,656)		
New Zealand	-	-	(17,813,253)	(17,813,253)		
Norway	-	-	(854,510)	(854,510)		
Peru	-	-	(2,750,723)	(2,750,723)		
Poland	-	-	(8,609,073)	(8,609,073)		
Singapore	-	-	(9,016,174)	(9,016,174)		
Sweden	-	-	(1,643,780)	(1,643,780)		
Turkey	-	-	(1,638,067)	(1,638,067)		
United States of America	-	-	(209,846,257)	(209,846,257)		
	(209)	-	(758,084,625)	(758,084,834)		
Total	67,777,923	526,098,925	(8,042,169)	585,834,679		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	25,073,217	57,719,880	211,482,700	294,275,797	2.86	3.49
Australia	12,394,375	-	7,252,138	19,646,513		
Brazil	15,392,683	-	-	15,392,683		
Canada	5,789,442	25,107,393	11,430,022	42,326,857	1.62	2.77
Europe	-	150,202,672	25,026,274	175,228,946	3.36	11.43
Japan	-	-	188,711,527	188,711,527		
Mexico	-	6,212,569	6,986,854	13,199,423	6.50	8.00
New Zealand	6,711,988	7,050,181	13,167,650	26,929,819	3.38	3.00
Norway	-	6,176,359	9,787,198	15,963,557	4.25	3.00
Philippines	-	-	11,792,243	11,792,243		
Poland	-	8,725,874	206,133	8,932,007	2.50	4.00
Singapore	-	8,979,629	16,746	8,996,375	2.50	5.00
Sweden	-	19,266,947	21,155,373	40,422,320	3.30	7.99
Turkey	-	2,014,139	5,391	2,019,530	0.50	3.00
United States of America	42,823,602	178,315,790	169,642,068	390,781,460	1.69	7.81
	108,185,307	469,771,433	676,662,317	1,254,619,057		
Liabilities						
United Kingdom	-	-	(255,692,471)	(255,692,471)		
Australia	-	-	(12,549,261)	(12,549,261)		
Brazil	-	-	(15,009,919)	(15,009,919)		
Canada	-	-	(34,182,253)	(34,182,253)		
Europe	-	-	(49,104,204)	(49,104,204)		
Japan	-	-	(45,917,878)	(45,917,878)		
Mexico	-	-	(13,302,981)	(13,302,981)		
New Zealand	-	-	(15,334,319)	(15,334,319)		
Norway	-	-	(7,392,761)	(7,392,761)		
Philippines	-	-	(11,792,243)	(11,792,243)		
Singapore	-	-	(8,968,982)	(8,968,982)		
Sweden	-	-	(25,797,037)	(25,797,037)		
Turkey	-	-	(1,908,203)	(1,908,203)		
United States of America	-	-	(180,858,768)	(180,858,768)		
	-	-	(677,811,280)	(677,811,280)		
Total	108,185,307	469,771,433	(1,148,963)	576,807,777		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Market Risk**

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Barclays	(110,628)	(110,628)
BNY Mellon	163,021	163,021
JP Morgan	81,203	81,203
Royal Bank of Scotland	2,565,031	2,565,031
State Street Bank	861,289	861,289
UBS	(1,219,072)	(1,219,072)
	2,340,844	2,340,844

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	945,606	26,765,271	27,710,877	38,583,326
Australia	6,136,145	137,722	6,273,867	7,097,252
Brazil	290,274	-	290,274	382,764
Canada	7,436,038	-	7,436,038	8,144,604
Denmark	14,100,119	26,315	14,126,434	-
Europe	117,006,134	2,510,611	119,516,745	126,124,742
Japan	115,639,472	-	115,639,472	142,793,649
Mexico	68,437	16,928	85,365	(103,558)
New Zealand	80,558	163,850	244,408	11,595,500
Norway	11,093,696	-	11,093,696	8,570,796
Peru	(22,447)	73,640	51,193	-
Poland	(747,728)	297,256	(450,472)	8,932,007
Singapore	(140,741)	11,251	(129,490)	27,393
Sweden	2,236,447	-	2,236,447	14,625,283
Turkey	183,595	4,609	188,204	111,327
United States of America	280,416,336	1,105,285	281,521,621	209,922,692
Total	554,721,941	31,112,738	585,834,679	576,807,777

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £87,346,398 of investments were subject to stock lending agreements and the Fund held £94,654,415 in collateral. The collateral is held in 70.71% in equity and 29.29% debt securities.

As at 30 June 2014, £86,032,703 of investments were subject to stock lending agreements and the Fund held £89,000,557 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £92,596 (30/06/14: £60,296) and £18,519 (30/06/14: £12,059).

15 Shareholders' funds

The Fund currently has nine share classes; Sterling Income Shares, Euro Accumulation Shares, Institutional Shares (Accumulation), Institutional Shares (Income), Exempt Shares 2 (Gross Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.00%	0.10%
Euro Accumulation Shares	0.30%	0.10%
Institutional Shares (Accumulation)	0.50%	0.03%
Institutional Shares (Income)	0.50%	0.03%
Exempt Shares 2 (Gross Accumulation)	0.30%	0.03%
Institutional Shares W (Net Income)	0.50%	0.03%
Institutional Shares W (Net Accumulation)	0.50%	0.03%
Retail Advised Shares B (Net Income)	0.75%	0.10%
Retail Advised Shares B (Net Accumulation)	0.75%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 436 to 437. The distributions are given in the distribution statements on pages 446 to 447. All share classes have the same rights on winding up.

Exempt Shares 2 (Gross Accumulation) are gross paying shares which are available only to institutional investors who are wholly exempt from UK taxation otherwise than by reason of non-residence. The ACD may pay or accumulate interest distributions without deducting income tax from them in the case of institutional investors. Any eligible investor who wishes to benefit from this should contact the ACD who will provide an appropriate form to be completed and returned to it.

BNY MELLON INVESTMENT FUNDS – NEWTON LONG CORPORATE BOND FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£255.95m
Comparative Index:	BofA Merrill Lynch Non-Gilt (over 10 years) Investment Grade TR
Sector:	The Investment Association £ Corporate Bond

Distribution Yield as at 30 June 2015:

Exempt Shares 1 (Gross Accumulation)	3.79%
Exempt Shares 2 (Gross Accumulation)	3.69%
Institutional Shares (Net Accumulation)	3.49%
X Shares (Gross Accumulation)	3.99%
X Shares (Net Income)	3.99%

Key Dates:	Fund Launch	29 June 2000
	Converted to ICVC	02 August 2004

Investment Objective

The objective of the Fund is to maximise returns through investment in predominantly sterling denominated fixed interest securities excluding gilts.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Exempt Shares 1 (Gross Accumulation)	8.26%	8.12%	6.52%	14.41%	4.64%
Exempt Shares 2 (Gross Accumulation)	8.15%	8.01%	6.41%	14.30%	4.53%
Institutional Shares (Net Accumulation)	7.21%	6.95%	5.38%	12.53%	3.08%
X Shares (Gross Accumulation)	8.47%	8.33%	6.73%	14.65%	4.84%
X Shares (Net Income)*	9.32%	n/a	n/a	n/a	n/a
BofA Merrill Lynch Non-Gilt 10 yr+ Investment Grade TR	8.68%	8.99%	5.55%	14.71%	4.62%

Source: Lipper as at 30 June 2015 – Institutional Shares (Net Accumulation) and X Shares (Net Income) - Total return including revenue net of UK tax and annual charges, but excluding initial charge. Exempt Shares 1 (Gross Accumulation); Exempt Shares 2 (Gross Accumulation) and Sterling X Shares (Gross Accumulation) - Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Acc Share Class of the Fund returned 8.26% against 8.68% for the BofA Merrill Lynch Non-Gilt (over 10 year) Investment Grade Index TR.

The Fund generated a positive return but underperformed its comparative index over the 12 months. This underperformance was a result of a shorter duration – a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates – than the index. Falling inflation expectations, thanks to a collapse in the price of oil and still slow wage growth drove the strength in global bond markets, which filtered through to high-quality corporate bonds. (Inflation is the rate at which the level of prices for goods and services is rising.) This reduced the need for early rate increases from central banks during much of the review period. The bond market was additionally affected by the European Central Bank's announcement in January of quantitative easing (QE), an asset-purchase programme intended to create new money for use in the economy. However, the positive effect from this faded somewhat as concerns over Greece's ability to repay its debts and remain in the eurozone grew and demand increased for issuances from countries perceived as 'safe havens', such as the UK and US. An overweight in securitised bonds and a significant underweight position in utilities were positive factors in terms of relative performance. However, this was partly negated by an underweight in quasi-government bonds (debt issued by an agency that has government backing), which was a negative influence on the Fund's returns.

Activity was relatively light with the majority of new purchases taking place in the second half of the review period. New issues from Transport for London, Whitbread, AT&T and BT were added to the Fund, while a decision to increase exposure to the insurance sector prompted the purchase of Legal & General and Prudential bonds in May. Short-dated issues added to the Fund included: InterContinental 2016, Barclays and Lloyds 2017 and DnB NOR 2020. Longer dated issuances from Housing association RHP Finance and wind farm operator Gwynt y Môr, were also purchased, while existing holdings in Pacific Life, Intercontinental Hotels, ENW Capital Finance were topped up. The fund manager also switched out of shorter duration issuances from Centrica and BHP Billiton into longer dated options. The Fund exited positions in Tesco and Petrobas following downgrades of both to below investment grade status.

The table below shows the top ten purchases and sales for the year.

Purchases

BHP Billiton Finance 4.3% European Medium Term Bonds 25/9/2042

InterContinental Hotels 6% Guaranteed European Medium Term Notes 9/12/2016

Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055

Lloyds Bank 1.5% European Medium Term Notes 2/5/2017

ENW Capital Finance 6.75% Guaranteed European Medium Term Notes 20/6/2015

DNB Bank 7.25% Guaranteed Subordinated Floating Rate European Medium Term Bonds 23/6/2020

European Investment Bank 4.5% Guaranteed Senior European Medium Term Bonds 7/3/2044

AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040

Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044

Commonwealth Bank of Australia 3.875% Guaranteed Senior European Medium Term Notes 14/12/2015

Sales

Kreditanstalt Fur Wiederaufbau 5.50% Bonds 18/6/2025

Network Rail 4.75% Guaranteed European Medium Term Bonds 29/11/2035

BHP Billiton Finance 3.25% European Medium Term Bonds 25/9/2024

UNITE USAF II 3.374% Senior Bonds 30/6/2028

Vodafone 4.625% European Medium Term Bonds 8/9/2014

Bank of Scotland 4.875% European Medium Term Notes 20/12/2024

Temasek Financial I 5.125% Guaranteed Bonds 26/7/2040

Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040

Lloyds Bank 1.5% European Medium Term Notes 2/5/2017

ENW Capital Finance 6.75% Guaranteed European Medium Term Notes 20/6/2015

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Exempt Shares 1 (Gross Accumulation)	Pence	Pence	Pence
2011	208.61	181.24	9.3719
2012	238.12	206.58	9.9184
2013	249.87	228.79	10.0907
2014	276.78	236.64	9.8334
2015	293.18	270.71	5.0728
Exempt Shares 2 (Gross Accumulation)	Pence	Pence	Pence
2011	140.60	122.25	6.1882
2012	160.31	139.20	6.5316
2013	168.16	153.97	6.6301
2014	185.98	159.16	6.4396
2015	196.97	181.81	3.3136
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2011	120.78	106.41	4.0955
2012	136.21	119.23	4.2546
2013	142.31	130.10	4.2650
2014	154.95	133.78	4.0823
2015	163.93	150.82	2.0784
X Shares (Gross Accumulation)	Pence	Pence	Pence
2011	210.42	182.53	9.8374
2012	240.67	208.48	10.4641
2013	252.77	231.52	10.6924
2014	280.90	239.71	10.4848
2015	297.63	275.03	5.4355
X Shares (Net Income)	Pence	Pence	Pence
2013 (from 18 November)	100.39	98.26	1.8530
2014	110.54	99.63	3.3397
2015	115.20	106.14	1.6814
X Shares (Net Accumulation)**	Pence	Pence	Pence
2014 (from 30 April to 30 September)	106.05	100.29	1.6346

** X Shares (Net Accumulation) share class closed 30 September 2014.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 1 (Gross Accumulation)		Pence	
30/06/2013	69,320,611	230.07	30,130,121
30/06/2014	46,650,260	249.60	18,689,919
30/06/2015	47,446,242	270.59	17,534,302
Exempt Shares 2 (Gross Accumulation)		Pence	
30/06/2013	14,399,198	154.82	9,300,822
30/06/2014	28,164,580	167.79	16,785,549
30/06/2015	20,542,722	181.72	11,304,503

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares (Net Accumulation)			
30/06/2013	3,933,852	Pence 130.81	3,007,191
30/06/2014	106,877	140.40	76,124
30/06/2015	82,070	150.73	54,448
X Shares (Gross Accumulation)			
30/06/2013	160,970,908	Pence 232.82	69,140,963
30/06/2014	171,017,586	253.08	67,573,296
30/06/2015	169,703,754	274.92	61,728,399
X Shares (Net Income)			
30/06/2014	25,599,512	Pence 99.97	25,607,905
30/06/2015	18,178,218	104.40	17,412,118
X Shares (Net Accumulation)*			
30/06/2014	1,205,489	Pence 101.10	1,192,377

* X Shares (Net Accumulation) share class closed 30 September 2014.

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Exempt Shares 1 (Gross Accumulation)	0.26	0.26
Exempt Shares 2 (Gross Accumulation)	0.36	0.36
Institutional Shares (Net Accumulation)	0.56	0.56
X Shares (Gross Accumulation)	0.06	0.06
X Shares (Net Income)	0.06	0.06
X Shares (Net Accumulation)**	n/a	0.06

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

**X Shares (Net Accumulation) share class closed 30 September 2014.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds 93.94% (96.93%)			
3i 5.75% Guaranteed Senior European Medium Term Bonds 3/12/2032	£2,100,000	2,489,174	0.97
AA Bond 6.269% Bonds 2/7/2043	£2,800,000	3,336,899	1.30
ABP Finance 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£1,850,000	2,273,755	0.89
Affinity Sutton 4.25% European Medium Term Bonds 8/10/2042	£2,149,000	2,337,381	0.91
Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044	£1,890,000	2,144,281	0.84
Annington Repackaging 5.3236% Guaranteed Bonds 10/1/2023	£2,560,000	2,864,273	1.12
Arsenal Securities 5.1418% Guaranteed Bonds 1/9/2029	£2,814,765	3,076,772	1.20
Aspire Defence Finance 4.674% Asset Backed Bonds 31/3/2040	£2,708,145	3,045,724	1.19
AT&T 7% Guaranteed Senior European Medium Term Bonds 30/4/2040	£2,000,000	2,611,501	1.02
Barclays 5.75% Guaranteed Senior European Medium Term Bonds 14/9/2026	£2,650,000	2,933,252	1.15
BAT International Finance 5.75% Guaranteed European Medium Term Bonds 5/7/2040	£2,350,000	2,962,410	1.16
BG Energy Capital 5.125% Guaranteed European Medium Term Bonds 1/12/2025	£2,200,000	2,563,925	1.00
BHP Billiton Finance 4.3% European Medium Term Bonds 25/9/2042	£4,270,000	4,373,090	1.71
British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	£1,400,000	1,665,166	0.65
Bupa Finance 6.125% Guaranteed Perpetual Floating Rate Bonds	£1,014,000	1,076,564	0.42
Centrica 5.25% Subordinated European Medium Term Notes 10/4/2075	£1,239,000	1,208,434	0.47
Centrica 7% Guaranteed Senior European Medium Term Bonds 19/9/2033	£950,000	1,278,888	0.50
Citigroup 5.15% Guaranteed Senior European Medium Term Bonds 21/5/2026	£2,600,000	2,988,732	1.17
Citigroup 7.375% Guaranteed Senior European Medium Term Bonds 1/9/2039	£1,700,000	2,551,994	1.00
Clydesdale Bank 4.625% Guaranteed European Medium Term Bonds 8/6/2026	£2,450,000	2,836,577	1.11
Danske Bank 4% Guaranteed Senior European Medium Term Notes 9/12/2015	£3,000,000	3,036,690	1.19
Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	£2,050,000	3,112,061	1.22
DirecTV Financing 4.375% Guaranteed Medium Term Notes 14/9/2029	£2,100,000	2,123,970	0.83
Dong Energy 4.875% Guaranteed Senior European Medium Term Bonds 12/1/2032	£3,650,000	4,010,939	1.57
DWR Cymru Financing 4.473% Guaranteed Asset Backed European Medium Term Bonds 31/3/2057	£1,750,000	1,915,492	0.75
E.ON International Finance 6.375% Guaranteed European Medium Term Bonds 7/6/2032	£2,523,000	3,116,361	1.22
Electricite de France 5.875% Perpetual Subordinated Variable Rate European Medium Term Notes	£900,000	894,180	0.35
Electricité de France 6% Perpetual Subordinated Variable Rate Bonds	£2,100,000	2,126,285	0.83
Electricite de France 6.125% Guaranteed Senior European Medium Term Bonds 2/6/2034	£4,900,000	5,980,705	2.34
Enel 5.75% Senior European Medium Term Bonds 22/6/2037	£2,300,000	2,573,435	1.00
European Investment Bank 0% Bonds 7/12/2028	£6,656,000	4,567,885	1.78
European Investment Bank 4.5% Guaranteed Senior European Medium Term Bonds 7/3/2044	£2,600,000	3,366,631	1.31
European Investment Bank 5.625% Guaranteed Senior Bonds 7/6/2032	£2,010,000	2,789,337	1.09
Exchequer Partnership 5.396% Guaranteed Bonds 13/7/2036	£2,284,247	2,797,304	1.09
GDF Suez 5% Guaranteed European Medium Term Bonds 1/10/2060	£2,300,000	2,747,965	1.07
GE Capital 6.44% Guaranteed Senior European Medium Term Bonds 15/11/2022	£1,556,570	1,754,192	0.69
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	£2,600,000	3,555,386	1.39
GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045	£960,000	1,008,653	0.39
GlaxoSmithKline Capital 6.375% Guaranteed European Medium Term Bonds 9/3/2039	£1,650,000	2,271,396	0.89
Health Care 4.5% Medium Term Notes 1/12/2034	£1,265,000	1,283,539	0.50
Health Care REIT 4.8% Senior Notes 20/11/2028	£1,440,000	1,549,311	0.61
Heathrow Funding 4.625% Senior European Medium Term Notes 31/10/2048	£2,700,000	2,864,209	1.12
High Speed Rail Financial 4.375% European Medium Term Notes 1/11/2038	£2,600,000	2,851,688	1.11
HSBC 5.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 4/11/2030	£5,000,000	5,406,988	2.11
HSBC 6.75% Guaranteed Subordinated Bonds 11/9/2028	£1,550,000	1,868,871	0.73
Hutchison Whampoa 5.625% Guaranteed Bonds 24/11/2026	£2,150,000	2,569,962	1.00
InterContinental Hotels 6% Guaranteed European Medium Term Notes 9/12/2016	£1,610,000	1,705,639	0.67
International Bank for Reconstruction & Development 4.875% European Medium Term Bonds 7/12/2028	£1,500,000	1,912,875	0.75
Juturna Euro Loan 5.0636% European Medium Term Notes 10/8/2033	£2,202,040	2,510,344	0.98
KFW 5% Guaranteed European Medium Term Bonds 9/6/2036	£2,500,000	3,407,362	1.33
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£2,300,000	2,592,054	1.01
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£1,500,000	2,128,065	0.83

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds (continued)			
LCR Finance 4.5% Guaranteed Bonds 7/12/2028	£2,082,000	2,521,692	0.98
Legal & General Finance 5.875% Guaranteed European Medium Term Bonds 11/12/2031	£1,311,000	1,645,655	0.64
London & Quadrant Housing 5.5% Guaranteed Senior Bonds 27/1/2040	£2,070,000	2,643,237	1.03
Manchester Airport Funding 4.75% Senior European Medium Term Notes 31/3/2034	£1,420,000	1,526,496	0.60
Merseylink Issuer 3.842% Bonds 31/3/2043	£2,000,000	2,266,960	0.89
Mitchells & Butlers Finance 6.013% Guaranteed Asset Backed Bonds 15/12/2030	£3,836,000	4,455,007	1.74
Motability Operations 5.625% Guaranteed Senior European Medium Term Bonds 29/11/2030	£3,050,000	3,822,879	1.49
Nationwide Building Society 5.25% Subordinated Variable Rate European Medium Term Bonds 23/11/2020	£2,223,000	2,243,629	0.88
Nationwide Building Society 5.625% Guaranteed European Medium Term Bonds 28/1/2026	£2,150,000	2,728,409	1.07
Nederlandse Waterschapsbank 5.375% Guaranteed Senior European Medium Term Bonds 7/6/2032	£1,800,000	2,365,992	0.92
Network Rail 4.75% Guaranteed European Medium Term Bonds 29/11/2035	£2,400,000	3,079,272	1.20
Next 4.375% Senior Notes 2/10/2026	£500,000	540,266	0.21
Northern Gas Networks 4.875% Guaranteed Bonds 30/6/2027	£1,993,000	2,232,312	0.87
Orange 5.625% Guaranteed Senior Bonds 23/1/2034	£2,200,000	2,577,962	1.01
Pfizer 6.5% Guaranteed Senior Bonds 3/6/2038	£2,150,000	3,003,079	1.17
Places for People Homes 5.875% European Medium Term Notes 23/5/2031	£1,500,000	1,807,665	0.71
Prudential 11.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 29/5/2039	£1,600,000	2,045,679	0.80
Prudential 5.875% Guaranteed Senior Bonds 11/5/2029	£2,200,000	2,745,047	1.07
RHP Finance 3.25% Bonds 5/2/2048	£1,872,000	1,639,142	0.64
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£1,850,000	2,194,991	0.86
RWE Finance 6.125% Guaranteed European Medium Term Bonds 6/7/2039	£1,250,000	1,462,642	0.57
Sceptre Funding No.1 5.253% Guaranteed Senior Bonds 9/2/2027	£2,352,275	2,726,460	1.06
Scottish Widows 5.5% Bonds 16/6/2023	£1,750,000	1,808,176	0.71
Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055	£2,650,000	2,776,538	1.08
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£2,162,000	1,961,369	0.77
Southern Electric Power 4.625% Guaranteed Senior Bonds 20/2/2037	£3,100,000	3,349,086	1.31
Southern Gas Network 4.875% Guaranteed European Medium Term Bonds 21/3/2029	£3,110,000	3,547,379	1.39
Standard Chartered 4.375% European Medium Term Bonds 18/1/2038	£3,150,000	3,170,837	1.24
Sunderland (SHG) Finance 6.38% Guaranteed Senior Bonds 31/3/2042	£1,114,000	1,441,891	0.56
TeliaSonera 4.375% European Medium Term Bonds 5/12/2042	£2,450,000	2,565,941	1.00
Temasek Financial I 5.125% Guaranteed Bonds 26/7/2040	£3,000,000	3,883,854	1.52
THFC 5.125% Guaranteed Senior European Medium Term Bonds 21/12/2037	£2,500,000	2,937,306	1.15
THFC 5.2% Guaranteed Senior European Medium Term Bonds 11/10/2043	£2,150,000	2,602,286	1.02
Transport For London 2.125% Bonds 24/4/2025	£2,293,000	2,199,216	0.86
Transport for London 3.625% European Medium Term Notes 15/5/2045	£2,480,000	2,585,778	1.01
University of Cambridge 3.75% Notes 17/10/2052	£1,700,000	1,914,367	0.75
UPP 4.9023% Senior European Medium Term Notes 28/2/2040	£2,727,016	3,016,982	1.18
Verizon Communications 4.75% Senior European Medium Term Notes 17/2/2034	£2,700,000	2,841,422	1.11
Wells Fargo 4.875% Guaranteed Subordinated European Medium Term Bonds 29/11/2035	£2,950,000	3,188,798	1.25
Whitbread Group 3.375% Bonds 16/10/2025	£681,000	673,618	0.26
Yorkshire Building Society 4.125% European Medium Term Notes 20/11/2024	£1,482,000	1,483,260	0.58
Yorkshire Power Finance 7.25% Guaranteed Bonds 4/8/2028	£2,400,000	3,205,195	1.25
Government Bond 1.28% (0.00%)			
Belgium (Kingdom) 5.7% Bonds 28/5/2032	£2,450,000	3,261,493	1.28

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Portfolio of investments		243,707,831	95.22
Net current assets		12,245,175	4.78
Total Net Assets		255,953,006	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt securities issued by the relevant companies or issuers.

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	35,544	13.89	18.33
AA	28,190	11.02	15.13
A	90,280	35.27	31.91
BBB	56,342	22.01	24.68
BB	2,128	0.83	-
Not rated (by S&P)	31,224	12.20	6.88
Portfolio of investments	243,708	95.22	96.93
Net current assets	12,245	4.78	3.07
Total Net Assets	255,953	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		14,140,377	9,613,114
Revenue	2	11,936,673		11,425,108
Expenses	3	(431,518)		(332,512)
Finance costs: Interest	5	<u>(19)</u>	<u>(34)</u>	
Net revenue before taxation		11,505,136		11,092,562
Taxation	4	<u>-</u>	<u>-</u>	
Net revenue after taxation			<u>11,505,136</u>	<u>11,092,562</u>
Total return before distributions			25,645,513	20,705,676
Finance costs: Distributions	5		(11,505,219)	(11,087,033)
Change in net assets attributable to Shareholders from investment activities			<u>14,140,294</u>	<u>9,618,643</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		272,744,304	248,624,569
Amounts receivable on issue of shares	124,970,204		80,626,282
Amounts payable on cancellation of shares	<u>(166,639,077)</u>	<u>(41,668,873)</u>	<u>(76,649,364)</u>
			3,976,918
Dilution adjustment		801,180	291,728
Change in net assets attributable to Shareholders from investment activities (see above)		14,140,294	9,618,643
Retained distributions on accumulation shares		9,936,101	10,232,446
Closing net assets attributable to Shareholders		<u>255,953,006</u>	<u>272,744,304</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			243,707,831		264,378,248
Debtors	7	3,914,799		4,766,765	
Cash and bank balances	8	<u>10,616,562</u>		<u>4,956,377</u>	
Total other assets			<u>14,531,361</u>		<u>9,723,142</u>
Total assets			258,239,192		274,101,390
LIABILITIES					
Creditors	9	(1,993,425)		(936,348)	
Distribution payable on income shares		<u>(292,761)</u>		<u>(420,738)</u>	
Total other liabilities			<u>(2,286,186)</u>		<u>(1,357,086)</u>
Total liabilities			(2,286,186)		(1,357,086)
Net assets attributable to Shareholders			<u>255,953,006</u>		<u>272,744,304</u>

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

						Period
						Group 1: Shares purchased 1 January 2015 Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Institutional Shares (Net Accumulation)						
Group 1	2.5980	0.5196	2.0784	0.0000	2.0784	1.9978
Group 2	1.6111	0.3222	1.2889	0.7895	2.0784	1.9978
X Shares (Net Income)						
Group 1	2.1018	0.4204	1.6814	0.0000	1.6814	1.6430
Group 2	1.4489	0.2898	1.1591	0.5223	1.6814	1.6430
			Gross Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Exempt Shares 1 (Gross Accumulation)						
Group 1			5.0728	0.0000	5.0728	4.7941
Group 2			2.3538	2.7190	5.0728	4.7941
Exempt Shares 2 (Gross Accumulation)						
Group 1			3.3136	0.0000	3.3136	3.1415
Group 2			3.3136	0.0000	3.3136	3.1415
X Shares (Gross Accumulation)						
Group 1			5.4355	0.0000	5.4355	5.1051
Group 2			2.4475	2.9880	5.4355	5.1051

Interim interest distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014 Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares (Net Accumulation)						
Group 1	2.6058	0.5212	2.0846	0.0000	2.0846	2.2488
Group 2	0.6391	0.1278	0.5113	1.5733	2.0846	2.2488
X Shares (Net Income)						
Group 1	2.1209	0.4242	1.6967	0.0000	1.6967	1.8530
Group 2	1.4204	0.2841	1.1363	0.5604	1.6967	1.8530
			Gross Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 1 (Gross Accumulation)						
Group 1			5.0393	0.0000	5.0393	5.3154
Group 2			2.3056	2.7337	5.0393	5.3154
Exempt Shares 2 (Gross Accumulation)						
Group 1			3.2981	0.0000	3.2981	3.4956
Group 2			3.2981	0.0000	3.2981	3.4956
X Shares (Gross Accumulation)						
Group 1			5.3797	0.0000	5.3797	5.6231
Group 2			3.1076	2.2721	5.3797	5.6231

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	14,154,072	9,615,225
Currency exchange gains/(losses)	2	(4)
Activity charges	(13,697)	(2,107)
Net capital gains	14,140,377	9,613,114

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	34,362	18,608
Interest on debt securities	11,888,624	11,399,824
Stock lending	13,687	6,676
Total revenue	11,936,673	11,425,108

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	262,906	183,349
Administration fees	90,071	77,134
Safe custody charges	40,274	33,758
	393,251	294,241
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	32,266	29,860
	32,266	29,860
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	5,725	6,360
- Non-audit services (tax compliance fee)†	-	1,764
Financial Conduct Authority fee	276	287
	6,001	8,411
Total expenses	431,518	332,512

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,350 (2014: £5,300) and £nil (2014: £1,470) respectively.

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	-	-
Total current tax charge (see note 4b)	-	-

Notes to the Financial Statements (continued)

4 Taxation (continued)

	30/06/2015 £	30/06/2014 £
b) Factors affecting the tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).		
The differences are explained below:		
Net revenue before taxation	11,505,136	11,092,562
Corporation tax @ 20%	2,301,027	2,218,512
Effects of:		
Tax deductible interest distributions	(2,301,027)	(2,218,512)
Total current tax charge (see note 4a)	-	-

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of nil (30/06/14: nil) in relation to surplus management expenses of nil (30/06/14: nil). No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim interest 31 December - Exempt Shares 1 (Gross Accumulation)	904,687	1,064,033
Interim interest 31 December - Exempt Shares 2 (Gross Accumulation)	444,710	588,807
Interim interest 31 December - Institutional Shares (Net Accumulation)	524,551	1,961
Interim interest 31 December - X Shares (Gross Accumulation)	3,441,714	3,683,618
Interim interest 31 December - X Shares (Net Income)	525,414	27,795
Final interest 30 June - Exempt Shares 1 (Gross Accumulation)	889,479	896,013
Final interest 30 June - Exempt Shares 2 (Gross Accumulation)	374,590	527,318
Final interest 30 June - Institutional Shares (Net Accumulation)	1,132	1,521
Final interest 30 June - X Shares (Gross Accumulation)	3,355,238	3,449,684
Final interest 30 June - X Shares (Net Income)	292,761	420,738
Final interest 30 June - X Shares (Net Accumulation)	-	19,491
Income tax withheld	364,242	108,876
	11,118,518	10,789,855
Amounts added on issue of shares	(881,742)	(576,388)
Amounts deducted on cancellation of shares	1,268,443	873,566
Net distributions for the year	11,505,219	11,087,033
Interest	19	34
Total finance costs	11,505,238	11,087,067

Notes to the Financial Statements (continued)

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	11,505,136	11,092,562
Equalisation on conversions	-	(5,484)
Undistributed revenue brought forward	83	38
Undistributed revenue carried forward	-	(83)
	11,505,219	11,087,033

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	3,905,568	4,752,740
Amount receivable for issue of shares	9,231	14,025
	3,914,799	4,766,765

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	-	924,120
Cash held in BNY Mellon Sterling Liquidity Fund	10,616,562	4,032,257
	10,616,562	4,956,377

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	35,070	36,718
Amount payable for cancellation of shares	1,804,800	791,021
Income tax payable	153,555	108,609
	1,993,425	936,348

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £1,824,077 (30/06/14: £803,759).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	24,138,089	230,186,304	3,914,799	258,239,192	4.56	19.89
	24,138,089	230,186,304	3,914,799	258,239,192		
Liabilities						
United Kingdom	-	-	(2,286,186)	(2,286,186)		
	-	-	(2,286,186)	(2,286,186)		
Total	24,138,089	230,186,304	1,628,613	255,953,006		

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	24,626,570	244,708,055	4,766,765	274,101,390	5.49	19.01
	24,626,570	244,708,055	4,766,765	274,101,390		
Liabilities						
United Kingdom	-	-	(1,357,086)	(1,357,086)		
	-	-	(1,357,086)	(1,357,086)		
Total	24,626,570	244,708,055	3,409,679	272,744,304		

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

The fund has no exposure to foreign currency risk.

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £10,827,357 of investments were subject to stock lending agreements and the Fund held £11,629,508 in collateral. The collateral is held in debt securities.

As at 30 June 2014, £12,569,788 of investments were subject to stock lending agreements and the Fund held £13,207,524 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £17,109 (30/06/14: £8,345) and £3,422 (30/06/14: £1,669).

15 Shareholders' funds

The Fund currently has five share classes; Exempt Shares 1 (Gross Accumulation), Exempt Shares 2 (Gross Accumulation), Institutional Shares (Net Accumulation), X Shares (Gross Accumulation) and X Shares (Net Income). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Exempt Shares 1 (Gross Accumulation)	0.20%	0.03%
Exempt Shares 2 (Gross Accumulation)	0.30%	0.03%
Institutional Shares (Net Accumulation)	0.50%	0.03%
X Shares (Gross Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 458 to 459. The distributions are given in the distribution statements on page 466. All share classes have the same rights on winding up.

Exempt Shares 1 (Gross Accumulation), Exempt Shares 2 (Gross Accumulation) and X Shares (Gross Accumulation) are gross paying Shares which are available only to institutional investors who are wholly exempt from UK taxation otherwise than by reason of non-residence. The ACD may pay or accumulate interest distributions without deducting income tax from them in the case of institutional investors. Any eligible investor who wishes to benefit from this should contact the ACD who will provide an appropriate form to be completed and returned to it.

BNY MELLON INVESTMENT FUNDS – NEWTON LONG GILT FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: Newton Investment Management Limited

Fund Size: £54.52m

Comparative Index: FTSE A British Govt over 15 years TR

Sector: The Investment Association UK Gilt

Distribution Yield as at 30 June 2015:

Exempt Shares 2 (Gross Accumulation) 2.15%

Institutional Shares (Net Accumulation) 1.85%

X Shares (Gross Accumulation) 2.35%

Key Dates: Fund Launch 01 March 1979
Converted to ICVC 02 August 2004

Investment Objective

The objective of the Fund is to maximise returns through investment in securities issued or guaranteed by the UK Government or the Governments of foreign countries or corporate bodies.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Exempt Shares 2 (Gross Accumulation)	14.60%	5.35%	-3.36%	25.82%	3.80%
Institutional Shares (Net Accumulation)	13.77%	4.46%	-4.13%	24.72%	2.75%
X Shares (Gross Accumulation)	14.83%	5.57%	-3.16%	26.08%	4.01%
FTSE A British Govt Over 15 Years TR	16.25%	5.32%	-4.64%	27.88%	2.81%

Source: Lipper as at 30 June 2015 – Institutional Shares (Net Accumulation) - Total return including revenue net of UK tax and annual charges. Exempt Shares 2 (Gross Accumulation) and Sterling X Shares (Gross Accumulation) - Total return including gross revenue and annual charges. All figures are in sterling terms.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Institutional Sterling Acc Share Class of the Fund returned 14.60% against 16.25% for the FTSE Actuaries British Government over 15 years Index.

The Fund generated a positive return but underperformed its comparative index. This underperformance was predominantly because the Fund had shorter duration – a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates – than the comparative index. The size of that position varied throughout the period based on changing economic and central bank activity. The strength in many of the major global bond markets was attributable to sustained low inflation expectations and a relatively low rate of inflation throughout the review period, as low commodity prices and wage inflation meant UK and US central banks remained less inclined to increase rates. (Inflation is the rate at which the level of prices for goods and services is rising.) Meanwhile, many other countries cut interest rates, and the European Central Bank (ECB) finally embarked upon quantitative easing (QE), an asset-purchasing programme intended to create money for use in the economy. Ongoing uncertainty surrounding Greece gave further support to the more trusted bond markets perceived as ‘safe havens’, such as the UK. Unhedged US Treasuries contributed negatively, as yields rose by more than Gilts on US rate hike expectations. Cash holdings also contributed negatively to relative performance. (Hedging is a method of reducing unnecessary or unintended risk.)

Trading activity, particularly in the second half of the period, was higher than normal. This was partly a result of flows into and out of the Fund, and also a conscious decision to be more active in response to the larger number of opportunities. The manager made a number of purchases of gilts maturing between 2040 and 2049. Also purchased was a Mexican government bond denominated in euros before reducing that same position soon afterwards at a profit. Growing expectations around the turn of the year for the ECB to launch its QE programme presented a number of opportunities. Throughout the period, the Fund generally reduced exposure to ultra-long gilts (dated 2060-2068), in favour of bonds maturing between 2046 and 2055.

Two corporate bond positions were initiated in the Fund – Orange and Affordable Housing Finance, while the Fund’s exposure to US Treasuries maturing in 2039 was reduced. The only index-linked corporate bond holding (Scottish Gas Networks) was also sold.

A notable event for the market was the redemption in early March of the 3.5% War Loan, announced in the preceding three months. The manager had continued to hold it as a cash proxy prior to redemption.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Treasury 4.25% Stock 7/12/2046	Treasury 4.25% Loan Stock 7/12/2055
Treasury 4.75% Stock 7/12/2030	Treasury 4.75% Stock 7/12/2030
Treasury 4.00% Stock 7/9/2016	Treasury 4.00% Stock 7/9/2016
Treasury 4.75% Stock 7/12/2038	Treasury 4.25% Bonds 7/12/2040
Treasury 4.25% Loan Stock 7/12/2055	Treasury 4% Stock 22/1/2060
Treasury 4.25% Bonds 7/12/2040	Treasury 4.75% Stock 7/12/2038
Treasury 4% Stock 22/1/2060	Treasury 4.25% Stock 7/12/2046
Treasury 4.5% Bonds 7/9/2034	Treasury 4.5% Bonds 7/9/2034
Treasury 4.25% Stock 7/3/2036	Treasury 4.25% Stock 7/3/2036
Treasury 4.25% Stock 7/9/2039	Treasury 4.25% Stock 7/6/2032

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Exempt Shares 2 (Gross Accumulation)	Pence	Pence	Pence
2011	386.04	292.49	11.6240
2012	406.31	361.90	11.3858
2013	410.68	369.21	11.3767
2014	472.26	375.57	11.4453
2015	506.78	448.70	5.2414
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2011	362.05	276.63	8.0234
2012	379.24	338.79	7.6343
2013	380.94	341.45	7.5751
2014	432.22	346.42	7.5032
2015	463.40	409.19	3.2960
X Shares (Gross Accumulation)	Pence	Pence	Pence
2011	389.72	294.77	12.3852
2012	410.68	365.54	12.2925
2013	415.76	374.05	12.3018
2014	479.69	380.74	12.4460
2015	514.88	456.22	5.8063
X Shares (Net Income)**	Pence	Pence	Pence
2013 (from 18 November)	100.65	97.84	0.6570
2014 (to 10 June)	103.67	97.58	0.6434

**X Shares (Net Income) share class closed 10 June 2014.

X Shares (Net Accumulation)***	Pence	Pence	Pence
2014 (from 14 April to 25 September)	108.20	99.18	0.6403

***X Shares (Net Accumulation) share class closed 25 September 2014.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 2 (Gross Accumulation)		Pence	
30/06/2013	53,569,142	377.37	14,195,414
30/06/2014	36,895,495	398.46	9,259,444
30/06/2015	36,392,879	457.89	7,948,010
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	2,689,591	349.59	769,350
30/06/2014	5,006,095	366.01	1,367,756
30/06/2015	7,203,951	417.51	1,725,464

Statistics (continued)**Net Asset Value History by Share Class**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
X Shares (Gross Accumulation)		Pence	
30/06/2013	23,761,093	382.16	6,217,590
30/06/2014	13,210,564	404.35	3,267,127
30/06/2015	10,925,489	465.58	2,346,647
X Shares (Net Accumulation)*		Pence	
30/06/2014	1,220,413	100.47	1,214,699

*X Shares (Net Accumulation) share class closed 25 September 2014.

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Exempt Shares 2 (Gross Accumulation)	0.28	0.27
Institutional Shares (Net	0.58	0.57
X Shares (Gross Accumulation)	0.08	0.07
X Shares (Net Accumulation)	n/a	0.07

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Stocks 92.72% (90.76%)			
Treasury 2.25% Stock 7/9/2023	£600,000	613,785	1.12
Treasury 3.25% Stock 22/1/2044	£2,790,000	3,079,253	5.65
Treasury 3.75% Gilts 22/7/2052	£2,190,000	2,751,023	5.05
Treasury 4% Stock 22/1/2060	£1,330,000	1,816,481	3.33
Treasury 4.25% Stock 7/6/2032	£3,960,000	4,902,777	8.99
Treasury 4.25% Stock 7/3/2036	£3,250,000	4,085,494	7.49
Treasury 4.25% Stock 7/9/2039	£2,530,000	3,234,036	5.93
Treasury 4.25% Bonds 7/12/2040	£2,275,000	2,925,821	5.37
Treasury 4.25% Stock 7/12/2046	£3,880,000	5,162,243	9.47
Treasury 4.25% Gilts 7/12/2049	£3,710,000	5,043,281	9.25
Treasury 4.25% Loan Stock 7/12/2055	£1,780,000	2,507,263	4.60
Treasury 4.5% Bonds 7/9/2034	£3,620,000	4,662,469	8.55
Treasury 4.5% Stock 7/12/2042	£2,530,000	3,418,220	6.27
Treasury 4.75% Stock 7/12/2030	£1,740,000	2,256,910	4.14
Treasury 4.75% Stock 7/12/2038	£3,000,000	4,093,425	7.51
Overseas Government Bonds 2.57% (2.09%)			
US Treasury 4.375% Notes 15/11/2039	USD1,800,000	1,402,763	2.57
Sterling Denominated Corporate Bonds 2.66% (4.13%)			
Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044	£150,000	170,181	0.31
Exchequer Partnership 5.396% Guaranteed Bonds 13/7/2036	£249,974	306,120	0.56
GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045	£300,000	315,204	0.58
Legal & General Finance 5.875% Guaranteed European Medium Term Bonds 11/12/2031	£44,000	55,232	0.10
Transport For London 2.125% Bonds 24/4/2025	£410,000	393,231	0.72
University of Cambridge 3.75% Notes 17/10/2052	£189,000	212,833	0.39
Derivatives 0.02% (0.00%)			
EUR Forward Foreign Currency Contracts 0.01% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	EUR(487,991)	(346,031)	(0.63)
Forward Foreign Currency Contracts 13/08/15	£360,714	360,714	0.66
Forward Foreign Currency Contracts 13/08/15	EUR104,147	73,850	0.14
Forward Foreign Currency Contracts 13/08/15	£(73,901)	(73,901)	(0.14)
Forward Foreign Currency Contracts 13/08/15	EUR356,336	252,675	0.46
Forward Foreign Currency Contracts 13/08/15	£(262,369)	(262,369)	(0.48)
USD Forward Foreign Currency Contracts 0.01% (0.00%)			
Forward Foreign Currency Contracts 13/08/15	USD(379,000)	(241,060)	(0.44)
Forward Foreign Currency Contracts 13/08/15	£241,657	241,657	0.44
Forward Foreign Currency Contracts 13/08/15	USD(1,291,726)	(821,591)	(1.51)
Forward Foreign Currency Contracts 13/08/15	£848,708	848,708	1.56
Forward Foreign Currency Contracts 13/08/15	USD1,351,278	859,469	1.58
Forward Foreign Currency Contracts 13/08/15	£(876,281)	(876,281)	(1.61)
Forward Foreign Currency Contracts 13/08/15	USD309,493	196,850	0.36
Forward Foreign Currency Contracts 13/08/15	£(203,100)	(203,100)	(0.37)
Portfolio of investments*		53,417,635	97.97
Net current assets		1,104,684	2.03
Total Net Assets		54,522,319	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

Unless otherwise indicated, the holdings in the Portfolio Statement represent debt securities issued by the relevant companies or issuers.

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015	Total Net Assets (%) 30/06/2014
Standard & Poor's Ratings:			
AAA	50,722	93.03	93.83
AA	1,709	3.13	1.21
A	370	0.68	1.71
Not Rated	606	1.11	0.23
Derivatives	10	0.02	-
Portfolio of investments	53,417	97.97	96.98
Net current assets	1,105	2.03	3.02
Total Net Assets	54,522	100.00	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised downgrades and upgrades greatly affect the attractiveness of the issuance in the eyes of both issuers and holders. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond – a less expensive purchase for the investor, but a riskier investment.

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		6,698,518	1,763,311
Revenue	2	2,111,788		2,355,657
Expenses	3	(214,034)		(162,330)
Finance costs: Interest	5	(14)		-
Net revenue before taxation		1,897,740		2,193,327
Taxation	4	-		-
Net revenue after taxation			1,897,740	2,193,327
Total return before distributions			8,596,258	3,956,638
Finance costs: Distributions	5		(1,897,751)	(2,182,944)
Change in net assets attributable to Shareholders from investment activities			6,698,507	1,773,694

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		56,332,567	80,019,826
Amounts receivable on issue of shares	107,023,259		86,899,855
Amounts payable on cancellation of shares	(117,362,197)	(10,338,938)	(114,413,894)
			(27,514,039)
Dilution adjustment		110,323	158,997
Change in net assets attributable to Shareholders from investment activities (see above)		6,698,507	1,773,694
Retained distributions on accumulation shares		1,719,860	1,894,089
Closing net assets attributable to Shareholders		54,522,319	56,332,567

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets*			53,450,442	54,635,512
Debtors	7	462,855		618,720
Cash and bank balances	8	731,230		1,228,496
Total other assets			1,194,085	1,847,216
Total assets			54,644,527	56,482,728
LIABILITIES				
Investment liabilities			(32,807)	(4,117)
Creditors	9	(89,401)		(146,044)
Total other liabilities			(89,401)	(146,044)
Total liabilities			(122,208)	(150,161)
Net assets attributable to Shareholders			54,522,319	56,332,567

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Payable	Period
						Group 1: Shares purchased 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
						Prior Period 30/06/2014
Institutional Shares (Net Accumulation)						
Group 1	2.0279	0.4056	1.6223	0.0000	1.6223	1.9705
Group 2	1.2151	0.2430	0.9721	0.6502	1.6223	1.9705
X Shares (Net Accumulation)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.6403
Group 2	n/a	n/a	n/a	n/a	n/a	0.6403

	Gross Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Exempt Shares 2 (Gross Accumulation)				
Group 1	2.5968	0.0000	2.5968	2.9818
Group 2	0.8485	1.7483	2.5968	2.9818
X Shares (Gross Accumulation)				
Group 1	2.8779	0.0000	2.8779	3.2252
Group 2	2.2630	0.6149	2.8779	3.2252

*X Shares (Net Accumulation) share class closed 25 September 2014.

Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
						Prior Period 31/03/2014
Institutional Shares (Net Accumulation)						
Group 1	2.0921	0.4184	1.6737	0.0000	1.6737	1.9322
Group 2	0.5394	0.1079	0.4315	1.2422	1.6737	1.9322
X Shares (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.6434
Group 2	n/a	n/a	n/a	n/a	n/a	0.6434

	Gross Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Exempt Shares 2 (Gross Accumulation)				
Group 1	2.6446	0.0000	2.6446	2.9017
Group 2	1.2947	1.3499	2.6446	2.9017
X Shares (Gross Accumulation)				
Group 1	2.9284	0.0000	2.9284	3.1354
Group 2	1.0005	1.9279	2.9284	3.1354

*X Shares (Net Income) share class closed 10 June 2014.

Distribution Statements (continued)**Interim interest distribution in pence per Share**

	Period					
	Group 1: Shares purchased 1 October 2014					
	Group 2: Shares purchased 1 October 2014 to 31 December 2014					
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Institutional Shares (Net Accumulation)						
Group 1	2.2313	0.4463	1.7850	0.0000	1.7850	1.9455
Group 2	0.9195	0.1839	0.7356	1.0494	1.7850	1.9455
X Shares (Net Income)*						
Group 1	n/a	n/a	n/a	n/a	n/a	0.6570
Group 2	n/a	n/a	n/a	n/a	n/a	0.6570

	Gross Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 2 (Gross Accumulation)				
Group 1	2.7718	0.0000	2.7718	2.9216
Group 2	1.0795	1.6923	2.7718	2.9216
X Shares (Gross Accumulation)				
Group 1	3.0417	0.0000	3.0417	3.1559
Group 2	2.8950	0.1467	3.0417	3.1559

*X Shares (Net Income) share class closed 10 June 2014.

Interim interest distribution in pence per Share

	Period					
	Group 1: Shares purchased 1 July 2014					
	Group 2: Shares purchased 1 July 2014 to 30 September 2014					
	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Institutional Shares (Net Accumulation)						
Group 1	2.2694	0.4539	1.8155	0.0000	1.8155	1.9732
Group 2	1.3520	0.2704	1.0816	0.7339	1.8155	1.9732
Exempt Shares 2 (Gross Accumulation)						
Group 1	2.7900	0.0000	2.7900	0.0000	2.7900	2.9499
Group 2	1.7956	0.9944	2.7900	0.9944	2.7900	2.9499
X Shares (Gross Accumulation)						
Group 1	3.0437	0.0000	3.0437	0.0000	3.0437	3.1805
Group 2	1.7340	1.3097	3.0437	1.3097	3.0437	3.1805

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	6,722,960	1,786,448
Gains on forward currency contracts	15,000	922
Currency exchange losses	(24,075)	(20,428)
Activity charges	(15,367)	(3,631)
Net capital gains	6,698,518	1,763,311

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	5,119	4,330
Interest on debt securities	2,102,916	2,350,995
Stock lending	3,753	332
Total revenue	2,111,788	2,355,657

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	164,003	114,151
Administration fees	23,960	21,284
Safe custody charges	2,077	1,649
	190,040	137,084
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	18,513	17,615
	18,513	17,615
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	5,205	5,580
- Non-audit services (tax compliance fee)†	-	1,764
Financial Conduct Authority fee	276	287
	5,481	7,631
Total expenses	214,034	162,330

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £4,700 (2014: £4,650) and £nil (2014: £1,470) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax charge (see note 4b)	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	1,897,740	2,193,327
Corporation tax @ 20%	379,548	438,665
Effects of:		
Tax deductible interest distributions	(379,548)	(438,665)
Total current tax charge (see note 4a)	<u>-</u>	<u>-</u>

c) Deferred tax

At 30 June 2015, the Fund has a potential deferred tax asset of nil (30/06/14: nil) in relation to surplus management expenses of nil (30/06/2014: nil). No deferred tax asset has been recognised in the year or prior year.

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim interest 30 September - Exempt Shares 2 (Gross Accumulation)	247,188	412,135
Interim interest 30 September - Institutional Shares (Net Accumulation)	90,569	15,085
Interim interest 30 September - X Shares (Gross Accumulation)	96,982	118,553
Interim interest 31 December - Exempt Shares 2 (Gross Accumulation)	251,888	299,045
Interim interest 31 December - Institutional Shares (Net Accumulation)	113,910	18,291
Interim interest 31 December - X Shares (Gross Accumulation)	113,892	88,877
Interim interest 31 December - X Shares (Net Income)	-	19,742
Interim interest 31 March - Exempt Shares 2 (Gross Accumulation)	232,735	283,220
Interim interest 31 March - Institutional Shares (Net Accumulation)	31,211	43,458
Interim interest 31 March - X Shares (Gross Accumulation)	239,567	199,226
Interim interest 31 March - X Shares (Net Income)	-	80,446
Final interest 30 June - Exempt Shares 2 (Gross Accumulation)	206,391	276,098
Final interest 30 June - Institutional Shares (Net Accumulation)	27,992	26,952
Final interest 30 June - X Shares (Gross Accumulation)	67,535	105,371
Final interest 30 June - X Shares (Net Accumulation)	-	7,778
Income tax withheld	74,558	53,719
	<u>1,794,418</u>	<u>2,047,996</u>

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)	30/06/2015 £	30/06/2014 £
Amounts added on issue of shares	(257,508)	(301,788)
Amounts deducted on cancellation of shares	360,841	436,736
Net distributions for the year	1,897,751	2,182,944
Interest	14	-
Total finance costs	1,897,765	2,182,944

6 Net movement between revenue after taxation and distributions

	30/06/2015 £	30/06/2014 £
Net revenue after taxation	1,897,740	2,193,327
Equalisation on conversions	-	(10,381)
Undistributed revenue brought forward	11	9
Undistributed revenue carried forward	-	(11)
	1,897,751	2,182,944

7 Debtors

	30/06/2015 £	30/06/2014 £
Accrued revenue	317,222	376,524
Amount receivable for issue of shares	32,481	67,524
Sales awaiting settlement	113,152	174,672
	462,855	618,720

8 Cash & bank balances

	30/06/2015 £	30/06/2014 £
Cash held at bank	-	158,526
Cash held in BNY Mellon Sterling Liquidity Fund	731,230	1,069,970
	731,230	1,228,496

9 Creditors

	30/06/2015 £	30/06/2014 £
Accrued expenses	17,532	17,523
Amount payable for cancellation of shares	45,302	82,700
Income tax payable	26,567	45,821
	89,401	146,044

Notes to the Financial Statements (continued)

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £24,126 (30/06/14: £24,880).

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	731,230	52,005,282	1,907,675	54,644,187	5.53	26.58
Europe	-	-	326,525	326,525		
United States of America	-	1,402,763	1,062,578	2,465,341	3.57	24.39
	731,230	53,408,045	3,296,778	57,436,053		
Liabilities						
United Kingdom	-	-	(1,505,052)	(1,505,052)		
Europe	-	-	(346,031)	(346,031)		
United States of America	-	-	(1,062,651)	(1,062,651)		
	-	-	(2,913,734)	(2,913,734)		
Total	731,230	53,408,045	383,044	54,522,319		

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	4,831,253	49,853,507	997,371	55,682,131	4.27	27.77
United States of America	131,577	1,046,245	-	1,177,822	2.80	14.73
	4,962,830	50,899,752	997,371	56,859,953		
Liabilities						
United Kingdom	-	-	(527,386)	(527,386)		
	-	-	(527,386)	(527,386)		
Total	4,962,830	50,899,752	469,985	56,332,567		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Market Risk**

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Royal Bank of Scotland	15,230	15,230
State Street Bank	10,304	10,304
UBS	(15,944)	(15,944)
	9,590	9,590

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

Foreign currency risk

	30/06/2015 Investments £	30/06/2015 Net Current Assets £	30/06/2015 Total £	30/06/2014 Total £
United Kingdom	52,040,710	1,098,425	53,139,135	55,154,745
Europe	(19,506)	-	(19,506)	-
United States of America	1,396,431	6,259	1,402,690	1,177,822
	53,417,635	1,104,684	54,522,319	56,332,567

12 Portfolio transaction costs

There were no transaction costs in the year to 30 June 2015 (30/06/14: nil).

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £4,665,483 of investments were subject to stock lending agreements and the Fund held £4,782,120 in collateral. The collateral is held in debt securities.

As at 30 June 2014, £692,084 of investments were subject to stock lending agreements and the Fund held £753,279 in collateral. The collateral is held in debt securities.

The gross earnings and the fees for the year are £4,691 (30/06/14: £415) and £938 (30/06/14: £83).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has three share classes; Exempt Shares 2 (Gross Accumulation), Institutional Shares (Net Accumulation) and X Shares (Gross Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Exempt Shares 2 (Gross Accumulation)	0.20%	0.03%
Institutional Shares (Net Accumulation)	0.50%	0.03%
X Shares (Gross Accumulation)	0.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 475 to 476. The distributions are given in the distribution statements on pages 481 to 482. All share classes have the same rights on winding up.

Exempt Shares 2 (Gross Accumulation) and X Shares (Gross Accumulation) are gross paying Shares which are available only to institutional investors who are wholly exempt from UK taxation otherwise than by reason of non-residence. The ACD may pay or accumulate interest distributions without deducting income tax from them in the case of institutional investors. Any eligible investor who wishes to benefit from this should contact the ACD who will provide an appropriate form to be completed and returned to it.

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET BALANCED FUND
(FORMERLY NEWTON BALANCED FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£2,635.20m
Comparative Index:	The Investment Association Mixed Investment 40-85% Shares NR
Sector:	The Investment Association Mixed Investment 40-85% Shares

Yield as at 30 June 2015:

Sterling Income Shares	1.39%
Institutional Shares (Net Accumulation)	2.28%
Institutional Shares W (Net Income)	2.28%
Institutional Shares W (Net Accumulation)	2.28%
Retail Advised Shares B (Net Income)	2.23%
Retail Advised Shares B (Net Accumulation)	2.22%

Key Dates: Fund Launch 04 November 1986 (managed by Newton since July 1997)

Investment Objective

The objective of the Fund is to achieve a balance between capital growth and income predominantly from a portfolio of UK and international securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	4.60%	4.67%	11.62%	-4.55%	14.26%
Institutional Shares (Net Accumulation)	5.20%	5.27%	12.28%	-3.99%	14.92%
Institutional Shares W (Net Income)*	5.52%	5.53%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.53%	5.54%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.12%	5.19%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.12%	5.20%	n/a	n/a	n/a
The Investment Association Mixed Investment 40-85% Shares NR	6.54%	8.38%	15.34%	-3.63%	15.36%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period in review, the Sterling Income Share Class of the Fund returned 4.60% compared with 6.47% for the Mixed Investment 40-85% Shares.

The Fund underperformed its peer group over the period. Performance was strong in the first half of the period but fell back thereafter. Exposure to gold was detrimental, as was the holding in Norwegian government bonds, which were affected by the falling oil price and the negative influence this exerted upon the Norwegian krone given Norway's reliance on the commodity. In contrast the holding in Australian government bonds was beneficial, with Australian dollar weakness mitigated by currency hedging. (Hedging is a method of reducing unnecessary or unintended risk).

The equity portion of the portfolio underperformed in aggregate, with a number of commodity-related stocks among the largest detractors from returns. These included Yamana Gold, Barrick Gold Corp and Royal Dutch Shell. Pharmaceuticals group GlaxoSmithKline also performed poorly over the period. Positive contributors in the equity portfolio included Dollar General, which rose strongly after it joined the battle to take over rival Family Dollar, as investors welcomed the prospect of consolidation among discount retailers. Financials AIA Group and Citigroup also performed well.

The manager bought a holding in National Grid, as its scope to grow its asset base in the years ahead should allow it to increase its earnings and dividends. Also added was fast-food chain owner Yum! Brands, which looked oversold after a food-contamination scandal involving a supplier's factory. Another new holding was in Walgreen, a retail pharmacy chain whose merger with Boots provides opportunities to increase profits; the manager later took profits after a good run. Other positions exited included eBay, on concerns over competition, and Standard Chartered, on increasing caution over the company's Asian operations. The manager sold out of TeliaSonera, seeing better opportunities elsewhere in the telecoms sector, and Wood Group, as lower oil prices are expected to put pressure on oil-service providers. The manager also disposed of positions in Air Liquide and Sanofi; the former looked fully valued, while the latter's profitability outlook was clouded by developments at its diabetes franchise.

In the bond markets, the manager established a position in US short-dated Treasury bills early in the period, with the aim of increasing US dollar exposure as sterling looked vulnerable following strong gains. The manager later reduced the weighting in high-yield bonds and increased the portfolio's duration (sensitivity to interest rates), reflecting the view that interest-rate rises would be later and less steep than market participants were currently expecting. The manager also booked some profits in US long-dated Treasury bonds after a sharp fall in yields at the start of 2015.

With effect from 2 January 2015 the name of the fund changed from Newton Balanced Fund to Newton Multi-Asset Balanced Fund.

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

Purchases	Sales
US Treasury 0% Notes 19/3/2015	US Treasury 0% Notes 19/3/2015
US Treasury 0% Notes 28/11/2014	US Treasury 0% Notes 28/11/2014
Treasury 1.75% Bonds 7/9/2022	Treasury 1.75% Bonds 7/9/2022
Australia (Commonwealth) 3.75% Bonds 21/4/2037	Treasury 1.25% Bonds 22/7/2018
US Treasury 0% Notes 27/8/2015	Australia (Commonwealth) 4.50% Bonds 21/4/2033
Cobham	Sanofi
Cable & Wireless Communications	eBay
CRH	Air Liquide
Insurance Australia	Cable & Wireless Communications
National Grid	GlaxoSmithKline

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	170.38	146.93	4.9022
2011	171.47	148.82	4.7051
2012	163.19	151.96	4.5095
2013	180.98	159.55	4.4065
2014	178.29	164.52	4.2431
2015	189.61	175.09	2.4611
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2010	200.87	172.70	5.8070
2011	205.19	181.15	5.7942
2012	205.61	187.76	5.7520
2013	231.45	203.60	5.9267
2014	239.88	219.46	5.8455
2015	257.78	237.66	3.4151
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 31 August)	102.07	98.47	0.7358
2013	114.23	100.39	2.9503
2014	113.69	104.79	2.8233
2015	121.26	111.70	1.6067
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 31 August)	102.07	98.47	0.7342
2013	115.07	101.14	2.9989
2014	119.73	109.30	2.9418
2015	128.82	118.65	1.7077
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 28 September)	100.44	96.87	1.1239
2013	111.74	98.32	2.7977
2014	110.82	102.19	2.6736
2015	118.06	108.88	1.5337
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 28 September)	100.44	96.87	1.1225
2013	113.03	99.45	2.8624
2014	117.02	107.12	2.7991
2015	125.72	115.93	1.6321

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	1,297,157,885	167.28	775,419,689
30/06/2014	1,177,997,355	170.46	691,067,222
30/06/2015	1,017,191,695	173.64	585,800,534

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	1,662,897,098	217.58	764,276,168
30/06/2014	1,534,957,870	228.78	670,926,552
30/06/2015	1,417,285,890	239.71	591,247,227
Institutional Shares W (Net Income)		Pence	
30/06/2013	5,363,112	105.61	5,078,020
30/06/2014	36,013,290	108.31	33,250,156
30/06/2015	84,021,722	111.25	75,523,752
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	3,195,942	108.20	2,953,642
30/06/2014	48,201,649	114.06	42,259,550
30/06/2015	80,965,316	119.89	67,535,584
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	4,271,852	103.32	4,134,723
30/06/2014	18,301,632	105.71	17,312,484
30/06/2015	35,636,727	108.24	32,924,579
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	8,528	106.25	8,027
30/06/2014	173,588	111.64	155,494
30/06/2015	101,026	116.89	86,430

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.61	1.61
Institutional Shares (Net Accumulation)	1.04	1.04
Institutional Shares W (Net Income)	0.67	0.79
Institutional Shares W (Net Accumulation)	0.67	0.79
Retail Advised Shares B (Net Income)	1.11	1.11
Retail Advised Shares B (Net Accumulation)	1.11	1.11

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds - 11.78% (10.34%)			
Australia (Commonwealth) 3.75% Bonds 21/4/2037	AUD 99,000,000	49,074,235	1.86
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD 46,000,000	25,984,088	0.98
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD 16,960,000	11,916,924	0.45
New Zealand (Government) 2% Notes 20/9/2025	NZD 34,000,000	14,916,936	0.57
New Zealand (Government) 6% Notes 15/5/2021	NZD 45,850,000	22,722,751	0.86
New Zealand 5.5% Bonds 15/4/2023	NZD 42,770,000	21,163,367	0.80
Norway (Kingdom of) 3.75% Bond 25/5/2021	NOK 380,000,000	34,759,038	1.32
Treasury of Victoria 5.5% Guranteed Senior Notes 17/11/2026	AUD 42,500,000	24,728,802	0.94
US Treasury 0% Notes 27/8/2015	USD 70,000,000	44,509,798	1.69
US Treasury 4.375% Notes 15/11/2039	USD 78,000,000	60,786,387	2.31
Sterling Denominated Corporate Bonds - 2.42% (2.60%)			
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£5,890,000	11,185,640	0.42
FirstGroup 8.75% Guaranteed Bonds 8/4/2021	£2,073,000	2,594,406	0.10
Imperial Tobacco Finance 8.125% Guaranteed European Medium Term Bonds 15/3/2024	£2,650,000	3,456,443	0.13
Juturna Euro Loan 5.0636% European Medium Term Notes 10/8/2033	£3,429,816	3,910,019	0.15
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£833,000	1,642,509	0.06
Tesco 1.9682% Index Linked Medium Term Notes 24/3/2036	£3,267,000	3,816,608	0.15
Tesco 6.125% Guaranteed Senior European Medium Term Bonds 24/2/2022	£18,500,000	20,002,940	0.76
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£7,980,629	7,602,746	0.29
Thames Water Utilities 3.375% Notes 21/7/2021	£5,531,000	9,569,958	0.36
Non-Sterling Denominated Corporate Bonds - 0.88% (3.46%)			
Altria Group 10.2% Guaranteed Bonds 6/2/2039	USD 5,596,000	5,859,414	0.22
BAT International Finance 9.5% Guranteed Senior Notes 15/11/2018	USD 4,477,000	3,525,053	0.14
Smiths 7.2% Guranteed Senior Notes 15/5/2019	USD 3,243,000	2,374,187	0.09
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 18,463,000	11,416,842	0.43
United Kingdom - 24.63% (27.26%)			
Associated British Foods	772,514	22,178,877	0.84
BAE Systems	4,722,843	21,309,468	0.81
Barclays	7,212,482	18,788,516	0.71
BP	3,080,841	12,942,613	0.49
British American Tobacco	1,718,771	58,687,436	2.23
Bunzl	1,048,488	18,222,721	0.69
Centrica	17,772,590	46,884,092	1.78
Cobham	12,638,393	33,238,974	1.26
Dixons Carphone	5,137,877	23,289,996	0.89
GlaxoSmithKline	4,379,412	57,917,724	2.20
Johnson Matthey	774,510	23,529,614	0.89
Mitchells & Butlers	6,840,493	31,213,170	1.18
National Grid	2,745,617	22,437,182	0.85
Prudential	2,578,696	39,518,516	1.50
Royal Dutch Shell class 'B' shares	4,288,827	77,499,104	2.94
Smith & Nephew	1,466,606	15,751,348	0.60
Vodafone	35,352,476	81,257,666	3.08
Wolseley	1,092,781	44,399,692	1.69
Investment Trusts - 0.54% (0.00%)			
HICL Infrastructure	7,045,788	10,850,514	0.41
John Laing Infastructure Fund	2,702,103	3,288,459	0.13
Commodities - 2.07% (2.02%)			
ETFS Physical Gold	217,558	15,564,615	0.59
ETFS Physical Gold ETF	544,575	39,127,714	1.48

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Canada - 0.88% (1.80%)			
Barrick Gold	2,309,653	15,669,865	0.60
Yamana Gold	3,936,712	7,498,690	0.28
United States of America - 17.77% (15.94%)			
Accenture	756,904	46,568,342	1.77
Citigroup	1,952,920	68,570,129	2.60
Dollar General	1,012,430	50,026,029	1.90
Dun & Bradstreet	377,578	29,292,485	1.11
Express Scripts	536,745	30,354,232	1.15
Marathon Oil	688,834	11,619,995	0.44
Medtronic	573,265	27,002,907	1.02
Microsoft	2,174,418	61,041,874	2.32
Sprint	4,240,785	12,269,073	0.47
Sysco	494,871	11,353,052	0.43
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	731,001	27,474,705	1.04
TJX	465,210	19,570,353	0.74
Trimble Navigation	986,011	14,702,078	0.56
TripAdvisor	227,962	12,630,895	0.48
Walgreens Boots Alliance	511,698	27,473,631	1.04
Yum! Brands	319,776	18,309,804	0.70
Australia - 1.94% (1.00%)			
Insurance Australia	8,164,575	22,264,846	0.85
Newcrest Mining	4,524,232	28,787,753	1.09
Hong Kong - 1.88% (1.34%)			
AIA	11,923,400	49,434,516	1.88
Germany - 3.90% (2.90%)			
Bayer (Regd.)	606,392	54,109,155	2.05
MTU Aero Engines	171,761	10,304,443	0.39
Rocket Internet	409,900	11,531,795	0.44
SAP	606,875	26,970,789	1.02
India - 0.55% (0.00%)			
ITC	4,587,183	14,455,539	0.55
Ireland - 0.95% (0.46%)			
CRH	1,407,353	25,135,325	0.95
Japan - 3.83% (4.41%)			
Sawai Pharmaceutical	549,200	20,290,698	0.77
Softbank	1,236,500	46,261,902	1.76
Sugi	460,600	14,935,005	0.57
Toyota Motor	454,800	19,355,359	0.73
Netherlands - 4.01% (3.18%)			
Reed Elsevier	1,716,103	25,866,165	0.98
Wolters Kluwer	4,225,269	79,760,746	3.03
Norway - 0.94% (0.82%)			
DNB	2,348,004	24,783,148	0.94
Sweden - 0.84% (2.28%)			
Millicom International Cellular	471,091	22,075,255	0.84

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Switzerland - 5.60% (5.60%)			
Credit Suisse	1,688,537	29,524,698	1.12
Nestlé	992,055	45,559,745	1.73
Novartis	401,848	25,194,103	0.96
Roche	265,004	47,238,432	1.79
Derivatives - 0.67% (0.31%)			
AUD Forward Foreign Currency Contracts - 0.35% (0.04%)			
Forward Foreign Currency Contracts 15/07/15	AUD (324,328,560)	(158,394,781)	(6.01)
Forward Foreign Currency Contracts 15/07/15	£167,602,997	167,602,997	6.36
NZD Forward Foreign Currency Contracts - 0.32% (0.00%)			
Forward Foreign Currency Contracts 15/07/15	NZD(109,990,000)	(47,245,450)	(1.79)
Forward Foreign Currency Contracts 15/07/15	£55,659,857	55,659,857	2.11
Portfolio of investments		2,268,307,281	86.08
Net current assets		366,895,095	13.92
Total Net Assets		2,635,202,376	100.00

Total unapproved and unquoted securities 0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the UK Government Bonds, Belgium, France, Israel and EUR Forward Foreign Currency Contracts portfolio categories, which, at 30 June 2014, represented 2.15%, 0.53%, 4.72%, 0.58% and 0.27% respectively of the Total Net Assets of the Fund.

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

ADR = American Depositary Receipt

ADR = American Depositary Receipt

Portfolio Statement (continued)**Portfolio Statement by Credit Rating**

as at 30 June 2015

	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015
Standard & Poor's Ratings:		
AAA	46,676	1.77
AA	119,589	4.54
A	28,482	1.08
BBB	44,684	1.70
BB	11,417	0.43
Not rated (by S&P)	146,671	5.56
Others	92,000	3.49
Equities	1,761,166	66.84
Derivatives	17,622	0.67
Portfolio of investments	2,268,307	86.08
Net current assets	366,895	13.92
Total Net Assets	2,635,202	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the study of all information provided to the public and to assign to the issue and issuing company grades that accurately reflect the company's ability to meet the promised principal and interest payments.

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		95,430,334	96,299,448
Revenue	2	70,057,905	86,033,198	
Expenses	3	(35,141,046)	(37,914,700)	
Finance costs: Interest	5	(5,902)	-	
Net revenue before taxation		34,910,957	48,118,498	
Taxation	4	(2,277,258)	(2,052,626)	
Net revenue after taxation			32,633,699	46,065,872
Total return before distributions			128,064,033	142,365,320
Finance costs: Distributions	5		(62,723,304)	(77,623,944)
Change in net assets attributable to Shareholders from investment activities			65,340,729	64,741,376

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		2,815,645,384	2,972,894,417
Amounts receivable on issue of shares	88,015,328	91,336,886	
Amounts payable on cancellation of shares	(368,667,915)	(356,239,074)	
		(280,652,587)	(264,902,188)
Stamp Duty Reserve Tax		-	(200,672)
Change in net assets attributable to Shareholders from investment activities (see above)		65,340,729	64,741,376
Retained distributions on accumulation shares		34,868,019	43,109,669
Unclaimed distributions		831	2,782
Closing net assets attributable to Shareholders		2,635,202,376	2,815,645,384

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets			2,268,307,281	2,638,260,297
Debtors	7	44,495,145	15,345,898	
Cash and bank balances	8	<u>364,106,646</u>	<u>194,684,911</u>	
Total other assets			<u>408,601,791</u>	<u>210,030,809</u>
Total assets			2,676,909,072	2,848,291,106
LIABILITIES				
Creditors	9	(25,570,879)	(12,647,863)	
Distribution payable on income shares		<u>(16,135,817)</u>	<u>(19,997,859)</u>	
Total other liabilities			<u>(41,706,696)</u>	<u>(32,645,722)</u>
Total liabilities			(41,706,696)	(32,645,722)
Net assets attributable to Shareholders			<u>2,635,202,376</u>	<u>2,815,645,384</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	2.7346	0.2735	2.4611	0.0000	2.4611	2.7609
Group 2	1.6789	0.1679	1.5110	0.9501	2.4611	2.7609
Institutional Shares (Net Accumulation)						
Group 1	3.7946	0.3795	3.4151	0.0000	3.4151	3.7880
Group 2	2.8103	0.2810	2.5293	0.8858	3.4151	3.7880
Institutional Shares W (Net Income)						
Group 1	1.7852	0.1785	1.6067	0.0000	1.6067	1.8486
Group 2	1.0774	0.1077	0.9697	0.6370	1.6067	1.8486
Institutional Shares W (Net Accumulation)						
Group 1	1.8974	0.1897	1.7077	0.0000	1.7077	1.9153
Group 2	0.9289	0.0929	0.8360	0.8717	1.7077	1.9153
Retail Advised Shares B (Net Income)						
Group 1	1.7041	0.1704	1.5337	0.0000	1.5337	1.7532
Group 2	0.9880	0.0988	0.8892	0.6445	1.5337	1.7532
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8134	0.1813	1.6321	0.0000	1.6321	1.8271
Group 2	1.8134	0.1813	1.6321	0.0000	1.6321	1.8271

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.6469	0.1647	1.4822	0.0000	1.4822	1.6606
Group 2	0.8639	0.0864	0.7775	0.7047	1.4822	1.6606
Institutional Shares (Net Accumulation)						
Group 1	2.2861	0.2286	2.0575	0.0000	2.0575	2.3082
Group 2	0.5346	0.0535	0.4811	1.5764	2.0575	2.3082
Institutional Shares W (Net Income)						
Group 1	1.0830	0.1083	0.9747	0.0000	0.9747	1.1526
Group 2	0.5616	0.0562	0.5054	0.4693	0.9747	1.1526
Institutional Shares W (Net Accumulation)						
Group 1	1.1406	0.1141	1.0265	0.0000	1.0265	1.1871
Group 2	0.6311	0.0631	0.5680	0.4585	1.0265	1.1871

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Retail Advised Shares B (Net Income)						
Group 1	1.0227	0.1023	0.9204	0.0000	0.9204	1.0762
Group 2	0.5167	0.0517	0.4650	0.4554	0.9204	1.0762
Retail Advised Shares B (Net Accumulation)						
Group 1	1.0800	0.1080	0.9720	0.0000	0.9720	1.1301
Group 2	1.0800	0.1080	0.9720	0.0000	0.9720	1.1301

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	69,792,506	70,026,453
Gains on forward currency contracts	25,811,990	26,455,120
Currency exchange losses	(117,769)	(164,881)
Activity charges	(56,393)	(17,244)
Net capital gains	95,430,334	96,299,448

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	-	691,939
Collective investment scheme distributions	-	286,996
Interest on debt securities	16,021,710	21,868,436
Overseas dividends	27,212,772	28,758,623
Stock lending	374,687	373,171
UK dividends	26,448,736	34,054,033
Total revenue	70,057,905	86,033,198

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	33,141,172	35,774,279
Administration fees	1,642,113	1,785,128
Collection charges	-	11,073
Registrar's disbursement fees	646	1,523
Safe custody charges	290,717	237,312
	35,074,648	37,809,315
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	155	312
	59,555	59,712
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,565	6,840
- Non-audit services (tax compliance fee)†	-	2,460
Financial Conduct Authority fee	278	287
Expenses associated with making tax reclaims	-	36,086
	6,843	45,673
Total expenses	35,141,046	37,914,700

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,800 (2014: £5,700) and £Nil (2014: £2,050)

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	-	-
Overseas tax withheld	2,387,821	2,059,259
Prior year adjustment	(84,211)	44,196
Repayment of French withholding tax	(26,352)	(50,829)
Total current tax charge (see note 4b)	2,277,258	2,052,626

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	34,910,957	48,118,498
Corporation tax @ 20%	6,982,191	9,623,700
Effects of:		
Dividends not subject to corporation tax	(10,475,497)	(12,523,053)
Excess management expenses	3,508,855	2,899,353
Repayment of French withholding tax	(26,352)	(50,829)
Overseas tax withheld	2,387,821	2,059,259
Overseas tax expensed	(15,549)	
Prior year adjustment	(84,211)	44,196
Total current tax charge (see note 4a)	2,277,258	2,052,626

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £59,379,396 (30/06/14: £41,835,123), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £11,875,880 (30/06/14: £8,367,025). The prior year figures for excess management expenses and deferred tax asset not recognised have been updated, this is only a disclosure change and has no impact on the NAV/Distributions.

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Sterling Income Shares	9,325,573	12,345,096
Interim dividend 31 December - Institutional Shares (Net Accumulation)	12,983,334	16,627,553
Interim dividend 31 December - Institutional Shares W (Net Income)	705,957	210,698
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	537,443	254,544
Interim dividend 31 December - Retail Advised Shares B (Net Income)	239,507	121,220
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	903	636
Final dividend 30 June - Sterling Income Shares	14,417,424	19,079,675
Final dividend 30 June - Institutional Shares (Net Accumulation)	20,191,618	25,414,698
Final dividend 30 June - Institutional Shares W (Net Income)	1,213,442	614,662
Final dividend 30 June - Institutional Shares W (Net Accumulation)	1,153,310	809,397
Final dividend 30 June - Retail Advised Shares B (Net Income)	504,951	303,522
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	1,411	2,841
	61,274,873	75,784,542

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Amounts added on issue of shares	(401,047)	(502,616)
Amounts deducted on cancellation of shares	1,849,478	2,342,018
Net distributions for the year	62,723,304	77,623,944
Interest	5,902	-
Total finance costs	62,729,206	77,623,944

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	32,633,699	46,065,872
ACD's periodic charge less tax relief paid from capital	30,083,988	31,547,193
Equalisation on conversions	5,001	10,700
Undistributed revenue brought forward	616	795
Undistributed revenue carried forward	-	(616)
	62,723,304	77,623,944

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	8,092,646	10,370,155
Amount receivable for issue of shares	807,727	345,096
Amounts receivable on open currency contracts	15,884,177	-
Overseas tax recoverable	3,775,594	2,747,771
Sales awaiting settlement	15,935,001	1,882,876
	44,495,145	15,345,898

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	118,989,648	35,482,299
Cash held in BNY Mellon Sterling Liquidity Fund	245,116,998	159,202,612
	364,106,646	194,684,911

Notes to the Financial Statements (continued)**9 Creditors**

	30/06/2015	30/06/2014
	£	£
Accrued expenses	3,060,343	3,130,282
Amount payable for cancellation of shares	3,921,683	5,511,830
Amounts payable on open currency contracts	15,890,555	-
Corporation tax payable	44,195	44,196
Purchases awaiting settlement	2,654,103	3,961,555
	25,570,879	12,647,863

10 Related party transactions

ACD's periodic charge, administration fees, collection charges, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD as at 30 June 2015 in respect of these transactions was £6,124,435 (30/06/14: £8,241,194).

11 Financial instruments**Interest rate risk**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	363,965,382	63,781,269	973,710,199	1,401,456,850	4.64	11.46
Australia		111,704,049	67,267,373	178,971,422	3.77	15.97
Canada			7,498,690	7,498,690		
Europe			221,798,393	221,798,393		
Hong Kong			49,434,516	49,434,516		
India			14,741,810	14,741,810		
Japan	141,264		102,339,077	102,480,341		
New Zealand		58,803,054	329,494	59,132,548	4.24	7.67
Norway		34,759,038	25,004,902	59,763,940	3.31	5.91
Sweden			22,264,286	22,264,286		
Switzerland			150,166,883	150,166,883		
United States of America		128,471,681	486,367,943	614,839,624	3.10	14.32
	364,106,646	397,519,091	2,120,923,566	2,882,549,303		
Liabilities						
United Kingdom			(25,816,142)	(25,816,142)		
Australia			(158,394,781)	(158,394,781)		
Europe			(13,052,280)	(13,052,280)		
Japan			(1,637,385)	(1,637,385)		
New Zealand			(47,245,450)	(47,245,450)		
United States of America			(1,200,889)	(1,200,889)		
	-	-	(247,346,927)	(247,346,927)		
Total	364,106,646	397,519,091	1,873,576,639	2,635,202,376		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Interest rate risk (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	221,026,206	107,179,622	1,251,380,607	1,579,586,435	3.55	9.10
Australia	12,731,997	94,472,351	45,052,038	152,256,386	4.72	16.05
Canada	-	-	25,983,482	25,983,482		
Europe	-	16,296,944	320,971,020	337,267,964	7.61	4.09
Hong Kong	-	-	37,725,295	37,725,295		
Japan	-	-	124,635,842	124,635,842		
New Zealand	16,891,754	49,420,809	435,918	66,748,481	5.76	7.95
Norway	-	66,176,889	23,204,724	89,381,613	3.75	7.00
Sweden	-	-	64,195,823	64,195,823		
Switzerland	-	17,332,682	160,234,593	177,567,275	7.27	4.24
Taiwan	1,119	-	-	1,119		
United States of America	4,356,979	110,960,786	492,157,845	607,475,610	5.69	21.35
	255,008,055	461,840,083	2,545,977,187	3,262,825,325		
Liabilities						
United Kingdom	-	-	(30,897,554)	(30,897,554)		
Australia	-	-	(129,318,525)	(129,318,525)		
Europe	-	-	(285,215,693)	(285,215,693)		
Switzerland	-	-	(359,077)	(359,077)		
United States of America	-	-	(1,389,092)	(1,389,092)		
	-	-	(447,179,941)	(447,179,941)		
Total	255,008,055	461,840,083	2,098,797,246	2,815,645,384		

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Royal Bank of Scotland	9,208,216	9,208,216
UBS	8,414,407	8,414,407
	17,622,623	17,622,623

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	1,015,564,756	360,075,952	1,375,640,708	1,548,688,881
Australia	19,926,483	650,158	20,576,641	22,937,861
Canada	7,498,690	-	7,498,690	25,983,482
Europe	208,543,093	203,020	208,746,113	52,052,271
Hong Kong	49,434,516	-	49,434,516	37,725,295
India	14,455,539	286,271	14,741,810	-
Japan	99,791,052	1,051,904	100,842,956	124,635,842
New Zealand	11,557,604	329,494	11,887,098	66,748,481
Norway	59,542,185	221,755	59,763,940	89,381,613
Sweden	22,075,255	189,031	22,264,286	64,195,823
Switzerland	147,516,978	2,649,905	150,166,883	177,208,198
Taiwan	-	-	-	1,119
United States of America	612,401,130	1,237,605	613,638,735	606,086,518
Total	2,268,307,281	366,895,095	2,635,202,376	2,815,645,384

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	943,514,538	839,998,712
Commissions	377,117	462,818
Taxes	1,171,797	1,252,707
Total purchase costs	1,548,914	1,715,525
Gross purchases total	945,063,452	841,714,237
Analysis of total sales proceeds:		
Sales before transaction costs	1,392,776,797	908,768,374
Commissions	(627,441)	(534,010)
Taxes	(9,545)	(11,717)
Total sales costs	(636,986)	(545,727)
Total sales net of transaction costs	1,392,139,811	908,222,647

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £141,659,601 of investments were subject to stock lending agreements and the Fund held £152,164,350 in collateral. The collateral is held 60.81% in equity and 39.19% in debt securities.

As at 30 June 2014, £81,622,199 of investments were subject to stock lending agreements and the Fund held £83,438,052 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £468,358 (30/06/14: £466,464) and £93,671 (30/06/14: £93,293).

15 Shareholders' funds

The Fund currently has six share classes; Sterling Income Shares, Institutional Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Net Accumulation)	1.00%	0.03%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 492 to 493. The distributions are given in the distribution statements on pages 500 to 501. All share classes have the same rights on winding up.

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET DIVERSIFIED RETURN FUND
(FORMERLY NEWTON PHOENIX MULTI-ASSET FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£94.34m
Performance Reference:	LIBOR GBP 1 Month +3% (Prior to 02/01/2015: LIBOR GBP 1 Month +2%)
Sector:	The Investment Association Specialist (Prior to 02/01/2015: The Investment Association Mixed Investment 20-60% Shares)

Yield as at 30 June 2015:

Sterling Income Shares	1.90%
Sterling Accumulation Shares	1.90%
Exempt Shares 2 (Net Accumulation)	2.59%
Institutional Shares W (Net Income)	2.65%
Institutional Shares W (Net Accumulation)	2.64%
Retail Advised Shares B (Net Income)	2.40%
Retail Advised Shares B (Net Accumulation)	2.40%
X Shares (Net Accumulation)	3.13%

Key Dates: Fund Launch 27 November 2006

Investment Objective

The objective of the Fund is to achieve long-term capital growth in excess of cash (1 Month GBP LIBOR) +3% p.a. over 5 years before fees, from a balanced portfolio diversified across a range of assets. A positive return is not guaranteed and a capital loss may occur.

Statutory Performance Data

From To	30/06/2014 30/06/2015	30/06/2013 30/06/2014	30/06/2012 30/06/2013	30/06/2011 30/06/2012	30/06/2010 30/06/2011
Sterling Income Shares	4.44%	6.62%	6.91%	-0.62%	11.24%
Sterling Accumulation Shares	4.44%	6.62%	6.92%	-0.62%	11.24%
Exempt Shares 2 (Net Accumulation)	5.19%	7.32%	7.59%	0.03%	11.99%
Institutional Shares W (Net Income)*	5.24%	7.42%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.25%	7.42%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	4.97%	7.17%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	4.99%	7.16%	n/a	n/a	n/a
X Shares (Net Accumulation)*	5.78%	7.96%	n/a	n/a	n/a
LIBOR GBP 1 Month +2%	n/a	2.49%	2.51%	2.70%	2.59%
LIBOR GBP 1 Month +3%	3.51%	n/a	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 4.44% against 3.51% for LIBOR GBP 1 Month +300 Bps.

The Fund generated a positive return. Global markets moved higher as the review period wore on, helped by the quantitative-easing initiatives of central banks. (The QE initiatives are intended to create new money for use in the economy.) The European Central Bank's programme of government-bond buying, announced in January and activated in March, was of particular benefit. At a sector level, healthcare and consumer goods added to the positive result and infrastructure holdings continued to provide stable returns. Earlier in the period, the Fund benefited from positions in Philippine utilities companies Energy Development and First Gen despite global anxieties relating to falling commodity prices.

Positions in peer-to-peer lending businesses P2P Global Investments and VPC Speciality Lending were initiated during the review period to take advantage of a sector the manager believes has growth potential. Next and Telefonica Deutschland were also added to the Fund following strong Christmas results and a positive merger deal, respectively. New positions in Walgreens, Bank Leumi of Israel (which looked significantly discounted compared with its global peers), UK pub group Mitchells & Butlers and Betfair were also initiated, while the Fund increased its position in private-equity group Oakley Capital. That activity was funded by a number of redemptions. On the equities side, Irish building-materials company CRH was sold, as were Balfour Beatty, Fresenius Medical Care and Biotech Growth Trust. The Fund also reduced exposure to Apple. Within the bond portion of the Fund, holdings in the Sprint 2024 corporate bond were sold, although the Fund remains invested in the longer dated Sprint 2032 bond. Other redemptions were UK government bonds (Gilts), holdings of the New South Wales Index-Linked Bonds, the Ecuador 2015 bond and JBS Investments 2020 corporate bond.

With effect from 2 January 2015 the name of the fund changed from Newton Phoenix Multi-Asset Fund to Newton Multi-Asset Diversified Return Fund.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the year.

Purchases	Sales
VPC Specialty Lending Investments	Treasury 4.25% Bonds 7/12/2040
Pershing Square Holdings Fund	Pershing Square Holdings Fund
Blackstone	New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025
International Public Partnership	HICL Infrastructure
Greencoat UK Wind	CQS Diversified Fund
Volta Finance	International Public Partnership
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	John Laing Infrastructure
Amedeo Air Four Plus	GCP Infrastructure Investments Fund
Wolters Kluwer	Foresight Solar Fund
Samsonite International	Treasury 3.25% Bonds 22/1/2044

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	129.23	118.29	1.7219
2012	130.79	122.09	1.8454
2013	139.79	129.60	2.0708
2014	141.18	132.32	2.4418
2015	147.30	138.83	1.6710
Sterling Accumulation Shares	Pence	Pence	Pence
2011	148.23	136.02	1.9704
2012	152.52	141.19	2.1420
2013	164.03	152.11	2.4395
2014	169.96	157.70	2.9225
2015	178.68	168.43	2.0261
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	153.69	141.25	3.0157
2012	159.42	146.86	3.2452
2013	172.10	159.19	3.6660
2014	180.12	166.23	4.2270
2015	189.86	178.63	2.8558
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 5 September)	102.44	100.19	0.6158
2013	109.98	101.66	2.4300
2014	111.08	103.85	2.7331
2015	115.78	108.91	1.7375
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 September)	102.44	100.19	0.6156
2013	110.66	102.30	2.4556
2014	115.97	106.94	2.8321
2015	122.26	115.02	1.8386
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 27 September)	101.15	99.16	0.7489
2013	108.32	100.22	2.1447
2014	109.40	102.36	2.4349
2015	114.06	107.36	1.5674
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 27 September)	101.15	99.16	0.7488
2013	109.12	100.99	2.1708
2014	113.96	105.29	2.5269
2015	120.03	113.00	1.6569
X Shares (Net Accumulation)	Pence	Pence	Pence
2013 (from 21 May)	100.23	93.53	2.4842
2014	105.85	97.22	3.0882
2015	111.79	105.04	1.9509

*Distributions are shown in the year declared rather than paid.

Statistics (continued)

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	17,184,278	130.81	13,137,078
30/06/2014	12,450,314	137.08	9,082,806
30/06/2015	11,498,097	140.20	8,201,328
Sterling Accumulation Shares		Pence	
30/06/2013	85,030,287	154.77	54,939,525
30/06/2014	68,170,757	165.03	41,308,502
30/06/2015	58,717,249	172.08	34,121,306
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	2,870,609	162.51	1,766,463
30/06/2014	3,076,290	174.41	1,763,785
30/06/2015	2,765,730	183.17	1,509,900
Institutional Shares W (Net Income)		Pence	
30/06/2013	239,177	102.59	233,147
30/06/2014	1,662,798	107.51	1,546,602
30/06/2015	2,309,513	109.96	2,100,285
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	931,926	104.49	891,863
30/06/2014	4,922,432	112.25	4,385,083
30/06/2015	6,535,048	117.95	5,540,492
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	5,094	101.15	5,036
30/06/2014	5,449	106.00	5,141
30/06/2015	5,698	108.41	5,256
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	12,083	103.02	11,728
30/06/2014	64,639	110.41	58,545
30/06/2015	245,689	115.73	212,289
X Shares (Net Accumulation)		Pence	
30/06/2013	10,753,155	94.70	11,355,346
30/06/2014	11,610,536	102.25	11,355,346
30/06/2015	12,260,729	107.97	11,355,346

Statistics (continued)

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.68	1.65
Sterling Accumulation Shares	1.68	1.65
Exempt Shares 2 (Net Accumulation)	0.73	0.83
Institutional Shares W (Net Income)	0.73	0.71
Institutional Shares W (Net Accumulation)	0.73	0.71
Retail Advised Shares B (Net Income)	1.05	1.00
Retail Advised Shares B (Net Accumulation)	1.04	1.01
X Shares (Net Accumulation)	0.10	0.08

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Overseas Government Bonds 5.69% (5.44%)			
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL3,300,000	494,623	0.52
Ecuador (Government) 9.375% Bonds 15/12/2015	USD742,000	469,441	0.50
Fiji Islands (Republic of) 9% Bonds 15/3/2016	USD850,000	547,341	0.58
Mongolia (Government) 4.125% European Medium Term Notes 5/1/2018	USD950,000	582,915	0.62
New Zealand 5.5% Bonds 15/4/2023	NZD3,500,000	1,731,863	1.84
Republic of PERU 6.95% Bonds 12/8/2031	PEN2,360,000	463,551	0.49
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD904,600	1,077,631	1.14
Sterling Denominated Corporate Bonds 10.42% (9.32%)			
AA Bond 9.5% Bonds 31/7/2043	£500,000	544,730	0.58
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£580,000	1,065,414	1.13
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2020	£260,000	285,730	0.30
Balfour Beatty Finance No. 2 1.875% Convertible Bonds 3/12/2018	£500,000	484,600	0.51
Chorus 6.75% Guaranteed European Medium Term Notes 6/4/2020	£500,000	569,195	0.60
High Speed Rail Finance 1 1.566% Senior European Medium Term Notes 1/11/2038	£137,000	176,766	0.19
House of Fraser Funding 8.875% Bonds 15/8/2018	£460,000	482,328	0.51
National Grid Gas 4.1875% Bonds 14/12/22	£755,000	1,493,428	1.58
Petrobras Global Finance 6.625% Guaranteed Bonds 16/1/2034	£250,000	214,085	0.23
Scottish Widows 5.5% Bonds 16/6/2023	£640,000	661,276	0.70
Standard Chartered 8.103% Guaranteed Perpetual Subordinated Floating Rate Bonds	£1,131,000	1,166,853	1.24
Tesco 4% European Medium Term Bonds 8/9/2016	£679,000	1,074,782	1.14
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£699,537	666,414	0.71
Unique Pub Finance 5.659% Bonds 30/6/2027	£948,957	943,095	1.00
Non-Sterling Denominated Corporate Bonds 5.53% (8.27%)			
Altice Financing 7.875% Bonds 15/12/2019	USD556,000	372,093	0.40
Breeze Finance 0% Bonds 19/4/2027	EUR635,833	178,385	0.19
Bumi Investment 10.75% 6/10/2017	USD800,000	137,343	0.15
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY1,231,048	107,217	0.11
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY3,640,000	257,071	0.27
Cirsa Funding Luxembourg 8.75% 15/5/2018	EUR424,866	306,271	0.32
Detour Gold 5.5% Bonds 30/11/2017	USD906,000	567,798	0.60
Nielsen Finance 5% Bonds 15/4/2022	USD447,000	278,540	0.30
Nitrogenmuvék Vegyipari 7.875% Bonds 21/5/2020	USD840,000	510,025	0.54
Pershing 5.5% Bonds 15/7/2022	USD760,000	485,154	0.51
Price Zigo Secured Finance 3.75% Notes 15/1/2025	EUR398,000	273,570	0.29
PSPC Escrow 6% Senior Bonds 1/2/2023	EUR446,000	319,521	0.34
PT Jersey 0.5% Bonds 19/11/2019	EUR300,000	267,632	0.28
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD882,000	545,397	0.58
TDC 3.5% Bonds 26/2/2015	EUR300,000	204,038	0.22
Tullow Oil 6% Bonds 1/11/2020	USD698,000	402,214	0.43
United Kingdom 14.07% (9.53%)			
Al Noor Hospitals	40,585	383,528	0.41
Amedeo Air Four Plus	456,800	470,504	0.50
Bank of Georgia	28,792	560,292	0.59
BHP Billiton	15,552	194,244	0.21
Blackstone	1,366,920	968,417	1.03
British American Tobacco	13,498	460,889	0.49
Centrica	100,908	266,195	0.28
Dixons Carphone	110302	499,999	0.53
DP Aircraft	832,171	555,592	0.59
GlaxoSmithKline	32,309	427,287	0.45
Imagination Technologies	271,640	601,004	0.64
Infinis Energy	264,007	512,174	0.54
Ladbroke	255,830	331,556	0.35
Mitchells & Butlers	181,622	828,741	0.88

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom (continued)			
NB Distressed Debt Investment Fund	480,265	354,236	0.37
Next	6,798	506,111	0.54
Old Mutual	215,697	434,414	0.46
P2P Global Investments Fund	46,185	482,633	0.51
Prudential	29,459	451,459	0.48
SSE	26,380	405,197	0.43
Volta Finance	199,095	1,014,164	1.07
VPC Specialty Lending Investments	1,985,995	2,025,715	2.15
Wolseley	13,002	528,271	0.56
South32	15,552	13,375	0.01
Preference Shares 1.25% (0.34%)			
Balfour Beatty	293,468	346,292	0.36
Doric Nimrod Air Three	805,000	837,200	0.89
Investment Trusts 24.78% (22.27%)			
BH Global - GBP shares	129,047	1,696,968	1.80
BH Macro - GBP shares	94,245	1,957,469	2.06
Bilfinger Berger Global	664,431	815,589	0.86
BlueCrest Allblue Fund	1,034,624	1,948,197	2.06
Bluefield Solar Income Fund	1,530,594	1,668,347	1.77
GCP Infrastructure Investments Fund	1,858,617	2,128,116	2.26
Greencoat UK Wind	1,297,062	1,439,739	1.53
HICL Infrastructure	897,948	1,382,840	1.47
ICG-Longbow Senior Secured UK Property Debt	1,142,649	1,159,789	1.23
International Public Partnership	1,429,174	1,939,389	2.06
Invista European Real Estate Trust	1,876,015	5,628	0.01
John Laing Infrastructure	985,217	1,199,009	1.27
NB Global Floating Rate Income Fund	532,823	518,703	0.55
Oakley Capital Investments	1,252,091	1,990,825	2.11
Pershing Square Holdings Fund	43,406	755,127	0.80
Renewables Infrastructure	1,631,631	1,733,608	1.84
Starwood European Real Estate Finance	964,352	1,034,268	1.10
Commodities 2.71% (2.81%)			
ETFS Metal Securities Physical Platinum (USD)	6,965	457,616	0.49
Physical Gold Source P-ETC	28,666	2,097,957	2.22
Collective Investment Schemes 1.06% (0.75%)			
Fair Oaks Income Fund	1,556,177	1,004,336	1.06
Canada 0.32% (0.31%)			
Intact Financial	6,859	301,755	0.32
Cayman Islands 0.68% (0.00%)			
Baidu ADR (each representing 0.1 ordinary 'A' class shares)	2,657	336,336	0.36
Sands China	141,600	301,957	0.32
United States of America 10.49% (5.37%)			
Accenture	8,567	527,083	0.56
American Residential Properties	60,465	710,878	0.75
Apple	5,787	461,503	0.49
Applied Materials	30,218	368,911	0.39
China Biologic Products	3,005	219,886	0.23
Citigroup	6,860	240,866	0.26
Emerson Electric	7,502	264,361	0.28
Express Scripts	5,294	299,389	0.32
Heartware International	5,636	260,495	0.28

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
United States of America (continued)			
Intuit	4,134	264,858	0.28
Las Vegas Sands	12,806	427,898	0.45
Materialise (sponsored ADR representing 1 ordinary share each)	76,046	438,569	0.47
Microsoft	9,539	267,786	0.28
Principal Financial	8,816	287,345	0.30
Reynolds American	6,827	323,965	0.34
Silver Bay Realty	75,972	786,434	0.83
Sprint	128,551	371,913	0.39
Sysco	12,337	283,029	0.31
TBC Bank GDR (representing 1 ordinary share each)	70,895	464,309	0.49
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	12,327	463,311	0.49
Trimble Navigation	16,551	246,786	0.26
Verseon	173,286	377,763	0.40
Walgreens Boots Alliance	5,102	273,932	0.29
Wiley(John)& Sons	16,034	553,600	0.59
Yum! Brands	12,479	714,525	0.76
Brazil 0.52% (0.69%)			
CCR	63,267	193,086	0.21
International Meal Co Alimentacao	158,458	295,804	0.31
Mexico 0.83% (0.62%)			
Fibra Shop	1,112,366	783,450	0.83
Australia 0.54% (0.00%)			
Mesoblast	113,576	208,702	0.22
MYOB	183,612	300,606	0.32
New Zealand 0.32% (0.38%)			
Telecom	247,457	297,423	0.32
Hong Kong 1.13% (1.24%)			
AIA	89,600	371,482	0.39
Link Real Estate Investment Trust	186,782	693,972	0.74
India 1.29% (1.43%)			
Fortis Healthcare	204,077	364,141	0.39
ITC	106,425	335,376	0.36
Jain Irrigation Systems	242,891	162,737	0.17
Jain Irrigation Systems (Differential Voting Rights)	7,297	2,659	0.00
Larsen & Toubro	19,804	352,618	0.37
Japan 1.39% (1.89%)			
Recruit	14,103	273,349	0.29
Softbank	14,200	531,273	0.57
Toyota Motor	11,800	502,184	0.53
Philippines 1.11% (1.21%)			
Energy Development	4,599,900	483,257	0.51
First Gen	1,210,100	421,495	0.45
LT	756,000	144,989	0.15
Singapore 1.00% (0.84%)			
Mapletree Greater	1,270,000	608,717	0.65
Mapletree Logistics Trust	623,000	330,968	0.35

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Thailand 1.54% (1.42%)			
Bangkok Bank	57,900	194,022	0.21
Intouch (non-voting Depository Receipts)	229,862	336,450	0.36
Tesco Lotus Retail Growth Freehold & Leasehold Property	3,648,678	920,435	0.97
South Africa 0.35% (0.61%)			
Life Healthcare	170,232	334,684	0.35
Denmark 0.49% (0.39%)			
TDC	98,215	457,697	0.49
France 1.13% (1.50%)			
Nexans	16,748	398,618	0.42
Sanofi	10,749	671,974	0.71
Germany 1.80% (0.79%)			
Bayer	4,412	393,688	0.42
Brenntag	8,211	300,285	0.32
Infineon Technologies	44,230	350,174	0.37
Rocket Internet	5,092	143,254	0.15
Telefonica Deutschland	139,447	511,849	0.54
Israel 1.37% (1.51%)			
Bank Hapoalim	148,228	507,930	0.54
Bank Leumi Le-Israel	197,174	530,419	0.56
Stratasys	11,606	257,846	0.27
Italy 0.48% (0.15%)			
Pirelli	42,369	454,157	0.48
Luxembourg 1.29% (0.00%)			
B&M European Value Retail	162,403	556,717	0.59
Samsonite International	302,819	663,137	0.70
Netherlands 0.48% (0.00%)			
Wolters Kluwer	23,834	449,916	0.48
Sweden 0.78% (1.05%)			
Arcam	31,723	345,805	0.37
Kinnevik	19,425	390,151	0.41
Switzerland 1.55% (1.48%)			
Novartis	12,882	807,645	0.86
Roche	3,663	652,950	0.69
Derivatives 1.21% (0.44%)			
Options 0.07% (0.10%)			
FTSE 100 Index August 2015 7000 (Call Option)	£156	15,600	0.02
S&P 500 Index July 2015 1950 (Call Option)	USD114	50,668	0.05
AUD Forward Foreign Currency Contracts 0.04% (0.00%)			
Forward Foreign Currency Contracts 14/08/15	AUD(670,184)	(326,822)	(0.35)
Forward Foreign Currency Contracts 14/08/15	£347,265	347,265	0.37
Forward Foreign Currency Contracts 14/08/15	AUD(559,879)	(273,030)	(0.29)
Forward Foreign Currency Contracts 14/08/15	£290,459	290,459	0.31

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
EUR Forward Foreign Currency Contracts 0.22% (0.08%)			
Forward Foreign Currency Contracts 11/09/15	EUR(9,489,778)	(6,733,486)	(7.14)
Forward Foreign Currency Contracts 11/09/15	£6,943,576	6,943,576	7.36
JPY Forward Foreign Currency Contracts 0.17% (0.02%)			
Forward Foreign Currency Contracts 15/07/15	JPY(334,840,000)	(1,740,382)	(1.85)
Forward Foreign Currency Contracts 15/07/15	£1,902,735	1,902,735	2.02
NZD Forward Foreign Currency Contracts 0.34% (0.02%)			
Forward Foreign Currency Contracts 15/07/15	NZD(4,147,987)	(1,781,739)	(1.89)
Forward Foreign Currency Contracts 15/07/15	£2,099,292	2,099,292	2.23
PEN Forward Foreign Currency Contracts 0.01% (0.00%)			
Forward Foreign Currency Contracts 14/08/15	PEN(23,55,000)	(468,347)	(0.50)
Forward Foreign Currency Contracts 14/08/15	£481,743	481,743	0.51
USD Forward Foreign Currency Contracts 0.36% (0.16%)			
Forward Foreign Currency Contracts 11/09/15	USD(16,326,392)	(10,386,494)	(11.01)
Forward Foreign Currency Contracts 11/09/15	£10,718,471	10,718,471	11.36
Forward Foreign Currency Contracts 11/09/15	USD(143,399)	(91,228)	(0.10)
Forward Foreign Currency Contracts 11/09/15	£92,206	92,206	0.10
Forward Foreign Currency Contracts 11/09/15	USD(1,043,748)	(664,009)	(0.70)
Forward Foreign Currency Contracts 11/09/15	£666,811	666,811	0.71
Portfolio of investments*		92,072,162	97.60
Net current assets		2,265,591	2.40
Total Net Assets		94,337,753	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the UK Government Bonds, China, Taiwan, Belgium & CHF Forward Foreign Currency Contracts portfolio categories, which, at 30 June 2014, represented 2.51%, 0.72%, 0.31%, 0.43% , 0.06% respectively of the Total Net Assets of the Fund.

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

ADR = American Depositary Receipt

GDR = Global Depositary Receipt

*Net of investment liabilities

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		2,305,209		5,075,760
Revenue	2	3,564,337		3,830,595	
Expenses	3	(1,332,549)		(1,564,126)	
Finance costs: Interest	5	<u>(3,630)</u>		<u>(64)</u>	
Net revenue before taxation		2,228,158		2,266,405	
Taxation	4	<u>(101,587)</u>		<u>(166,825)</u>	
Net revenue after taxation			<u>2,126,571</u>		<u>2,099,580</u>
Total return before distributions			4,431,780		7,175,340
Finance costs: Distributions	5		(2,128,667)		(2,112,657)
Change in net assets attributable to Shareholders from investment activities			<u>2,303,113</u>		<u>5,062,683</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		101,963,215		117,026,609
Amounts receivable on issue of shares	5,724,732		3,679,203	
Amounts payable on cancellation of shares	<u>(17,445,449)</u>		<u>(25,586,628)</u>	
		(11,720,717)		(21,907,425)
Dilution adjustment		4,325		9,471
Stamp Duty Reserve Tax		-		(3,280)
Change in net assets attributable to Shareholders from investment activities (see above)		2,303,113		5,062,683
Retained distributions on accumulation shares		1,786,982		1,766,045
Unclaimed distributions		835		9,112
Closing net assets attributable to Shareholders		<u>94,337,753</u>		<u>101,963,215</u>

Financial Statements (continued)

Balance Sheet

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets*			92,072,162		87,713,806
Debtors	7	565,783		1,017,124	
Cash and bank balances	8	<u>2,259,423</u>		<u>14,525,216</u>	
Total other assets			<u>2,825,206</u>		<u>15,542,340</u>
Total assets			94,897,368		103,256,146
LIABILITIES					
Investment liabilities			-		(2,309)
Creditors	9	(385,999)		(1,140,994)	
Distribution payable on income shares		<u>(173,616)</u>		<u>(149,628)</u>	
Total other liabilities			<u>(559,615)</u>		<u>(1,290,622)</u>
Total liabilities			(559,615)		(1,292,931)
Net assets attributable to Shareholders			<u>94,337,753</u>		<u>101,963,215</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	1.8567	0.1857	1.6710	0.0000	1.6710	1.3923
Group 2	1.0388	0.1039	0.9349	0.7361	1.6710	1.3923
Sterling Accumulation Shares						
Group 1	2.2512	0.2251	2.0261	0.0000	2.0261	1.6590
Group 2	1.0578	0.1058	0.9520	1.0741	2.0261	1.6590
Exempt Shares 2 (Net Accumulation)						
Group 1	3.1731	0.3173	2.8558	0.0000	2.8558	2.3057
Group 2	1.9759	0.1976	1.7783	1.0775	2.8558	2.3057
Institutional Shares W (Net Income)						
Group 1	1.9306	0.1931	1.7375	0.0000	1.7375	1.4935
Group 2	1.1149	0.1115	1.0034	0.7341	1.7375	1.4935
Institutional Shares W (Net Accumulation)						
Group 1	2.0429	0.2043	1.8386	0.0000	1.8386	1.5380
Group 2	1.0687	0.1069	0.9618	0.8768	1.8386	1.5380
Retail Advised Shares B (Net Income)						
Group 1	1.7416	0.1742	1.5674	0.0000	1.5674	1.3486
Group 2	1.1972	0.1197	1.0775	0.4899	1.5674	1.3486
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8410	0.1841	1.6569	0.0000	1.6569	1.3872
Group 2	1.2797	0.1280	1.1517	0.5052	1.6569	1.3872
X Shares (Net Accumulation)						
Group 1	2.1677	0.2168	1.9509	0.0000	1.9509	1.6469
Group 2	2.1677	0.2168	1.9509	0.0000	1.9509	1.6469

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	1.1661	0.1166	1.0495	0.0000	1.0495	0.9775
Group 2	0.3051	0.0305	0.2746	0.7749	1.0495	0.9775
Sterling Accumulation Shares						
Group 1	1.4039	0.1404	1.2635	0.0000	1.2635	1.1564
Group 2	0.4718	0.0472	0.4246	0.8389	1.2635	1.1564

Distribution Statements (continued)

Interim dividend distribution in pence per Share (continued)

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Exempt Shares 2 (Net Accumulation)						
Group 1	2.1348	0.2135	1.9213	0.0000	1.9213	1.7655
Group 2	0.4751	0.0475	0.4276	1.4937	1.9213	1.7655
Institutional Shares W (Net Income)						
Group 1	1.3773	0.1377	1.2396	0.0000	1.2396	1.1667
Group 2	0.7717	0.0772	0.6945	0.5451	1.2396	1.1667
Institutional Shares W (Net Accumulation)						
Group 1	1.4379	0.1438	1.2941	0.0000	1.2941	1.1874
Group 2	0.3397	0.0340	0.3057	0.9884	1.2941	1.1874
Retail Advised Shares B (Net Income)						
Group 1	1.2070	0.1207	1.0863	0.0000	1.0863	1.0278
Group 2	0.7921	0.0792	0.7129	0.3734	1.0863	1.0278
Retail Advised Shares B (Net Accumulation)						
Group 1	1.2663	0.1266	1.1397	0.0000	1.1397	1.0470
Group 2	0.3213	0.0321	0.2892	0.8505	1.1397	1.0470
X Shares (Net Accumulation)						
Group 1	1.6014	0.1601	1.4413	0.0000	1.4413	1.3237
Group 2	1.6014	0.1601	1.4413	0.0000	1.4413	1.3237

	Franked (%)	Unfranked (%)	Utilised foreign tax (£)	Utilised foreign tax (pence per share)
Final distributions for 30 June 2015				
Sterling Income Shares	93.25	6.75	n/a	n/a
Sterling Accumulation Shares	93.25	6.75	n/a	n/a
Exempt Shares 2 (Net Accumulation)	93.25	6.75	n/a	n/a
Institutional Shares W (Net Income)	93.25	6.75	n/a	n/a
Institutional Shares W (Net Accumulation)	93.25	6.75	n/a	n/a
Retail Advised Shares B (Net Income)	93.25	6.75	n/a	n/a
Retail Advised Shares B (Net Accumulation)	93.25	6.75	n/a	n/a
X Shares (Net Accumulation)	93.25	6.75	n/a	n/a

Interim distributions for 31 December 2014

Sterling Income Shares	87.21	12.79	n/a	n/a
Sterling Accumulation Shares	87.21	12.79	n/a	n/a
Exempt Shares 2 (Net Accumulation)	87.21	12.79	n/a	n/a
Institutional Shares W (Net Income)	87.21	12.79	n/a	n/a
Institutional Shares W (Net Accumulation)	87.21	12.79	n/a	n/a
Retail Advised Shares B (Net Income)	87.21	12.79	n/a	n/a
Retail Advised Shares B (Net Accumulation)	87.21	12.79	n/a	n/a
X Shares (Net Accumulation)	87.21	12.79	n/a	n/a

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	2,343,427	2,912,493
(Losses)/gains on derivative contracts	(610,812)	98,305
Gains on forward currency contracts	754,816	2,118,521
Currency exchange losses	(144,998)	(39,890)
Activity charges	(37,224)	(13,669)
Net capital gains	2,305,209	5,075,760

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	-	10,115
Interest on debt securities	1,316,107	1,948,663
Overseas dividends	1,903,101	1,478,891
Stock lending	12,033	25,517
UK dividends	333,096	367,409
Total revenue	3,564,337	3,830,595

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	1,208,430	1,420,888
Administration fees	82,925	97,024
Expenses capped	(1,901)	-
Registrar's disbursement fees	2,380	1,028
Safe custody charges	13,119	13,469
	1,304,953	1,532,409
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	20,240	21,023
Distribution reconciliation service	24	75
	20,264	21,098
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	7,055	7,500
- Non-audit services (tax compliance fee)†	-	2,832
Financial Conduct Authority fee	277	287
	7,332	10,619
Total expenses	1,332,549	1,564,126

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,350 (2014: £6,250) and £nil (2014: £2,360) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	38,549	98,869
Income tax expense	-	9,554
	<u>38,549</u>	<u>108,423</u>
Overseas tax withheld	62,370	58,116
Prior year adjustment	-	286
Total current tax charge (see note 4b)	<u>100,919</u>	<u>166,825</u>
Deferred tax movement for the year (see note 4c)	668	-
Total tax charge	<u>101,587</u>	<u>166,825</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>2,228,158</u>	<u>2,266,405</u>
Corporation tax @ 20%	445,632	453,281
Effects of:		
Dividends not subject to corporation tax	(397,482)	(354,412)
Double tax relief	(8,263)	-
Income tax expense	-	9,554
Movement in revenue accruals taxable on receipt	(1,338)	-
Overseas tax withheld	62,370	58,116
Prior year adjustment	-	286
Total current tax charge (see note 4a)	<u>100,919</u>	<u>166,825</u>

c) Deferred tax

Opening deferred tax balance	-	-
Deferred tax movement for the year (see note 4a)	668	-
Closing deferred tax balance	<u>668</u>	<u>-</u>

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 31 December - Sterling Income Shares	96,126	107,251
Interim dividend 31 December - Sterling Accumulation Shares	472,956	558,921
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	28,827	31,246
Interim dividend 31 December - Institutional Shares W (Net Income)	20,392	10,862
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	58,473	44,024
Interim dividend 31 December - Retail Advised Shares B (Net Income)	56	52
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	1,673	301
Interim dividend 31 December - X Shares (Net Accumulation)	163,669	150,311

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

Final dividend 30 June - Sterling Income Shares	137,041	126,460
Final dividend 30 June - Sterling Accumulation Shares	691,344	685,308
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	43,120	40,668
Final dividend 30 June - Institutional Shares W (Net Income)	36,493	23,099
Final dividend 30 June - Institutional Shares W (Net Accumulation)	101,869	67,443
Final dividend 30 June - Retail Advised Shares B (Net Income)	82	69
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	3,518	812
Final dividend 30 June - X Shares (Net Accumulation)	221,533	187,011
	2,077,172	2,033,838
	30/06/2015	30/06/2014
	£	£
Amounts added on issue of shares	(35,609)	(18,514)
Amounts deducted on cancellation of shares	87,104	97,333
Net distributions for the year	2,128,667	2,112,657
Interest	3,630	64
Total finance costs	2,132,297	2,112,721

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	2,126,571	2,099,580
Capitalised fees less tax relief paid from capital	(72)	-
Equalisation on conversions	2,127	13,058
Undistributed revenue brought forward	41	60
Undistributed revenue carried forward	-	(41)
	2,128,667	2,112,657

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	341,769	358,762
Amount receivable for issue of shares	25,200	33,522
Amounts receivable on open currency contracts	7,672	-
Overseas tax recoverable	38,500	47,566
Sales awaiting settlement	152,642	577,274
	565,783	1,017,124

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	202,261	5,280,725
Cash held in BNY Mellon Sterling Liquidity Fund	2,057,162	9,244,491
	2,259,423	14,525,216

Notes to the Financial Statements (continued)

9 Creditors

	30/06/2015 £	30/06/2014 £
Accrued expenses	116,743	129,740
Amount payable for cancellation of shares	246,662	470,740
Corporation tax payable	14,948	52,357
Purchases awaiting settlement	7,646	488,157
	385,999	1,140,994

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and expenses cap paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £332,292 (30/06/14: £554,488).

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets/ (Liabilities) Not Carrying Interest £	Total £	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
Assets						
United Kingdom	3,224,015	8,661,843	59,034,578	70,920,436	5.17	9.43
Australia	-	-	509,308	509,308		
Brazil	-	494,623	488,890	983,513	0.00	2.51
Canada	1,573	-	301,755	303,328		
China	-	364,288	8,396	372,684	10.64	0.79
Denmark	-	-	458,816	458,816		
Europe	-	1,549,417	5,688,918	7,238,335	4.15	30.25
Hong Kong	-	-	2,056,453	2,056,453		
India	3	-	1,224,172	1,224,175		
Israel	-	-	1,038,785	1,038,785		
Japan	-	-	1,306,806	1,306,806		
Mexico	-	-	783,450	783,450		
New Zealand	-	1,731,863	312,893	2,044,756	4.78	7.80
Peru	-	463,552	12,512	476,064	7.08	16.13
Philippines	-	-	1,049,821	1,049,821		
Singapore	-	-	939,686	939,686		
South Africa	-	-	334,684	334,684		
Sweden	-	-	737,839	737,839		
Switzerland	-	-	1,481,707	1,481,707		
Taiwan	196,186	-	-	196,186		
Thailand	-	-	1,450,906	1,450,906		
United States of America	1,082,130	4,898,260	15,474,779	21,455,169	6.86	5.00
	4,503,907	18,163,846	94,695,154	117,362,907		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Liabilities

United Kingdom	-	-	(551,969)	(551,969)
Australia	-	-	(599,853)	(599,853)
Canada	-	-	(3,147)	(3,147)
Europe	-	-	(6,733,487)	(6,733,487)
Japan	-	-	(1,740,382)	(1,740,382)
New zealand	-	-	(1,781,739)	(1,781,739)
Peru	-	-	(468,347)	(468,347)
United States of America	-	-	(11,146,230)	(11,146,230)
	-	-	(23,025,154)	(23,025,154)

Total	4,503,907	18,163,846	71,670,000	94,337,753
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Interest rate risk (continued)

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	18,337,183	8,064,238	55,009,232	81,410,653	6.17	19.95
Australia	1,177,785	-	3,203	1,180,988		
Brazil	569,281	-	699,302	1,268,583		
Canada	-	-	316,813	316,813		
China	-	392,000	10,919	402,919	8.60	2.00
Denmark	-	-	396,155	396,155		
Europe	284,499	2,610,070	2,613,305	5,507,874	9.51	4.90
Hong Kong	-	-	2,022,202	2,022,202		
India	3	-	1,470,798	1,470,801		
Israel	-	-	794,714	794,714		
Japan	-	-	1,930,210	1,930,210		
Mexico	-	-	630,136	630,136		
New zealand	-	1,929,876	407,421	2,337,297	5.50	9.00
Philippines	-	-	1,233,468	1,233,468		
Singapore	-	-	854,402	854,402		
South Africa	-	-	613,000	613,000		
Sweden	-	-	1,078,501	1,078,501		
Switzerland	-	-	2,276,698	2,276,698		
Taiwan	186,472	-	-	186,472		
Thailand	4,353	-	1,444,849	1,449,202		
United States of America	556,460	6,465,335	12,013,523	19,035,318	6.96	5.55
	21,116,036	19,461,519	85,818,851	126,396,406		
Liabilities						
United Kingdom	-	-	(1,732,634)	(1,732,634)		
Australia	-	-	(1,611,919)	(1,611,919)		
China	-	-	(5,661,484)	(5,661,484)		
Japan	-	-	(1,933,073)	(1,933,073)		
New zealand	-	-	(2,124,028)	(2,124,028)		
Switzerland	-	-	(2,227,008)	(2,227,008)		
United States of America	-	-	(9,143,045)	(9,143,045)		
	-	-	(24,433,191)	(24,433,191)		
Total	21,116,036	19,461,519	61,385,660	101,963,215		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
Bank of New York	33,840	33,840
JP Morgan	978	978
Royal Bank of Scotland	230,320	230,320
State Street	494,330	494,330
UBS	317,553	317,553
	1,077,021	1,077,021

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	68,506,900	1,861,567	70,368,467	79,678,019
Australia	(90,545)	-	(90,545)	(430,931)
Brazil	983,513	-	983,513	1,268,583
Canada	301,755	(1,574)	300,181	316,813
China	364,288	8,396	372,684	402,919
Denmark	457,697	1,119	458,816	396,155
Europe	472,427	32,421	504,848	(153,610)
Hong Kong	2,030,549	25,904	2,056,453	2,022,202
India	1,217,531	6,644	1,224,175	1,470,801
Israel	1,038,349	436	1,038,785	794,714
Japan	(433,576)	-	(433,576)	(2,863)
Mexico	783,450	-	783,450	630,136
New Zealand	247,547	15,470	263,017	213,269
Peru	(4,795)	12,512	7,717	-
Philippines	1,049,741	80	1,049,821	1,233,468
Singapore	939,686	-	939,686	854,402
South Africa	334,684	-	334,684	613,000
Sweden	735,956	1,883	737,839	1,078,501
Switzerland	1,460,595	21,112	1,481,707	49,690
Taiwan	-	196,186	196,186	186,472
Thailand	1,450,906	-	1,450,906	1,449,202
United States of America	10,225,504	83,435	10,308,939	9,892,273
Total	92,072,162	2,265,591	94,337,753	101,963,215

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		42,200,183		40,384,033
Commissions	14,753		17,432	
Taxes	<u>30,974</u>		<u>25,697</u>	
Total purchase costs		45,727		43,129
Gross purchases total		<u>42,245,910</u>		<u>40,427,162</u>
Analysis of total sales proceeds:				
Sales before transaction costs		41,136,666		69,194,383
Commissions	(16,239)		(23,299)	
Taxes	<u>(4,367)</u>		<u>(6,936)</u>	
Total sales costs		(20,606)		(30,235)
Total sales net of transaction costs		<u>41,116,060</u>		<u>69,164,148</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £5,397,638 of investments were subject to stock lending agreements and the Fund held £5,796,309 in collateral. The collateral is held 58.55% in debt securities and 41.45% in equity securities.

As at 30 June 2014, £1,536,588 of investments were subject to stock lending agreements and the Fund held £1,655,691 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £15,041 (30/06/14: £31,896) and £3,008 (30/06/14: £6,379).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has eight share classes; Sterling Income Shares, Sterling Accumulation Shares, Exempt Shares 2 (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation) and X Shares (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Sterling Accumulation Shares	1.50%	0.10%
Exempt Shares 2 (Net Accumulation)	0.625%	0.03%
Institutional Shares W (Net Income)	0.625%	0.03%
Institutional Shares W (Net Accumulation)	0.625%	0.03%
Retail Advised Shares B (Net Income)	0.85%	0.10%
Retail Advised Shares B (Net Accumulation)	0.85%	0.10%
X Shares (Net Accumulation)	0.00%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 513. The distributions are given in the distribution statements on pages 522 to 523. All share classes have the same rights on winding up.

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET GROWTH FUND
(FORMERLY NEWTON MANAGED FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1432.88m
Comparative Index:	The Investment Association Flexible Investment Sector NR
Sector:	The Investment Association Flexible Investment
Yield as at 30 June 2015:	

Sterling Income Shares	0.93%
Institutional Shares (Accumulation)	1.48%
Institutional Shares W (Net Income)	1.79%
Institutional Shares W (Net Accumulation)	1.79%
Retail Advised Shares B (Net Income)	1.41%
Retail Advised Shares B (Net Accumulation)	1.41%

Key Dates: Fund Launch 02 April 1990

Investment Objective

The objective of the Fund is to achieve capital growth and income from a portfolio of UK and international securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	11.02%	8.99%	19.90%	-4.06%	17.61%
Institutional Shares (Accumulation)	11.66%	9.61%	20.60%	-3.51%	18.28%
Institutional Shares W (Net Income)*	12.00%	9.88%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	11.99%	9.89%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	11.57%	9.54%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	11.58%	9.52%	n/a	n/a	n/a
The Investment Association Flexible Investment Sector NR	6.99%	8.03%	15.11%	-5.93%	16.48%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 11.02% compared with 6.83% for the IA Flexible Investment Sector.

Effective 2 January 2015, the Fund name changed from Newton Managed Fund to Newton Multi-Asset Growth Fund.

The Fund posted a strong positive return and outperformed the IA Flexible Investment Sector. The Fund's positioning in equities, which is higher than that of the peer group, combined with good stock selection was the reason for outperformance. Within this, the decision to underweight energy and mining stocks provided a positive relative contribution to performance as the oil price fell below US\$60 a barrel. The largest stock-level contribution came from Sage Group. In December 2014, the software firm reaffirmed its growth strategy as it announced good results for its first full year under its new chief executive. Credit-information provider Equifax also performed very strongly, as did Betfair, which announced results showing the fourth consecutive quarter of double-digit sales growth. Walt Disney performed well on strong earnings figures. The Fund's zero weighting in Royal Dutch Shell was beneficial as it had a very poor year as the falling oil price and its expensive acquisition of BG took their toll on its share price.

Danish telecoms operator TDC was a detractor from performance as the loss of a major government contract triggered a profit warning. Stocks with exposure to the oil price, such as Marathon Oil detracted from absolute performance; by the end of the period, the manager had sold out of Marathon and moved to a significant underweight position in the energy sector.

The manager added a new position in Cisco, a provider of corporate IT solutions. The manager believes the company's scale, customer loyalty and product range will enable it to defy pessimistic market expectations of its ability to achieve solid growth and maintain margins while withstanding the threat from its competitors. A holding in the UK life insurer Prudential was also added to the Fund given the potential for significant growth in Asia over several years. The manager also added a position in Dun & Bradstreet, a US company which operates the world's largest corporate credit database, an asset which would be very difficult to replicate. The manager sold eBay and Google, where growth expectations were looking harder to achieve and expenditure was increasing. Further sales were made in the IT sector in early 2015, selling out of EMC and Hewlett Packard to buy German company SAP. Late in the period, the manager bought a new position in US bank Citigroup, which continues to make progress in its restructuring and is showing improving profitability.

With effect from 2 January 2015 the name of the fund changed from Newton Managed Fund to Newton Multi-Asset Growth Fund.

The table below shows the top ten purchases and sales for the year.

Purchases

USA Treasury Bonds 4.375% TII 15/11/2039
Cisco Systems
Prudential
Dun & Bradstreet
USA Treasury Bonds 1.375% TII 30/11/2018
ITV
SAP
Eversource Energy
Reynolds American
Citigroup

Sales

USA Treasury Bonds 4.375% TII 15/11/2039
BP
USA Treasury Bonds 1.375% TII 30/11/2018
Johnson & Johnson
Interpublic Group of Companies
Sysco
Total
Hewlett-Packard
Softbank
eBay

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	504.99	416.22	6.9122
2011	508.58	426.43	6.0588
2012	501.38	449.80	7.6218
2013	591.72	498.92	7.5904
2014	646.02	572.44	5.4858
2015	704.05	638.94	5.8796
Institutional Shares (Accumulation)	Pence	Pence	Pence
2010	553.32	454.77	10.3184
2011	561.48	474.70	9.6985
2012	570.58	504.55	11.6608
2013	688.47	570.65	12.3891
2014	764.34	670.39	10.4395
2015	834.60	756.29	9.2281
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 22 June)	109.36	99.32	0.8273
2013 (to 23 September)	129.02	108.55	1.7238
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 31 August)	102.64	99.10	0.4691
2013	121.69	102.19	2.4974
2014	132.88	117.55	2.1410
2015	144.64	130.94	1.8565
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 31 August)	102.64	99.10	0.4682
2013	124.16	102.67	2.5208
2014	138.19	120.93	2.2082
2015	151.05	136.74	1.9390
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 5 October)	100.28	96.85	0.5875
2013	118.53	99.70	2.0777
2014	129.42	114.56	1.7000
2015	140.91	127.71	1.5111
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 October)	100.28	96.85	0.5876
2013	120.92	100.29	1.6685
2014	134.15	117.74	1.7470
2015	146.45	132.73	1.5704

*Distributions are shown in the year declared rather than paid.

Statistics (continued)

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares			
30/06/2013	1,248,032,944	Pence 548.84	227,394,960
30/06/2014	1,236,423,589	591.71	208,956,140
30/06/2015	1,215,759,075	648.43	187,493,281
Institutional Shares (Accumulation)			
30/06/2013	81,418,744	Pence 636.79	12,785,837
30/06/2014	84,505,293	698.10	12,105,042
30/06/2015	93,079,527	776.57	11,986,009
P Shares (Net Income)**			
30/06/2013	23,800	Pence 119.41	19,932
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)			
30/06/2013	3,088,705	Pence 112.42	2,747,563
30/06/2014	30,690,278	121.22	25,318,585
30/06/2015	88,411,586	132.84	66,557,052
Institutional Shares W (Net Accumulation)			
30/06/2013	1,585,485	Pence 114.70	1,382,300
30/06/2014	11,383,502	126.06	9,030,421
30/06/2015	31,374,649	140.66	22,305,922
Retail Advised Shares B (Net Income)			
30/06/2013	5,216,686	Pence 109.67	4,756,690
30/06/2014	6,726,499	118.25	5,688,500
30/06/2015	3,986,079	129.58	3,076,120
Retail Advised Shares B (Net Accumulation)			
30/06/2013	34,465	Pence 111.89	30,803
30/06/2014	169,882	122.57	138,602
30/06/2015	270,813	136.25	198,767

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.62	1.62
Institutional Shares (Accumulation)	1.05	1.05
Institutional Shares W (Net Income)	0.67	0.80
Institutional Shares W (Net Accumulation)	0.67	0.80
Retail Advised Shares B (Net Income)	1.11	1.12
Retail Advised Shares B (Net Accumulation)	1.11	1.12

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Sterling Denominated Corporate Bonds 1.16% (3.85%)			
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£3,680,000	6,988,651	0.49
Network Rail Infrastructure Finance 1.75% European Medium Term Notes 22/11/2027	£3,000,000	4,862,828	0.34
Tesco 3.322% Index Linked Notes 5/11/2025	£3,000,000	4,735,650	0.33
Non-Sterling Denominated Corporate Bonds 0.00% (0.00%)			
ERC Ireland Finance 5.349% Guaranteed Subordinated Floating Rate Notes 15/8/2016	€ 4,000,000	3,542	0.00
United Kingdom 34.64% (34.66%)			
Associated British Foods	80,000	2,296,800	0.16
AstraZeneca	444,000	17,844,360	1.24
Atkins (WS)	200,000	3,030,000	0.21
Betfair	569,000	13,684,450	0.96
BP	1,860,000	7,813,860	0.55
Bunzl	1,860,000	32,326,800	2.26
Chemring	2,260,000	4,943,750	0.35
Daily Mail & General Trust class 'A' shares	2,800,000	26,012,000	1.82
Dixons Carphone	4,600,000	20,851,800	1.45
GlaxoSmithKline	500,000	6,612,500	0.46
Imagination Technologies	2,360,000	5,221,500	0.36
ITV	8,000,000	21,064,000	1.47
Mitchells & Butlers	1,696,000	7,738,848	0.54
National Express	12,000,000	36,864,000	2.57
National Grid	2,926,000	23,911,272	1.67
Next	269,000	20,027,050	1.40
Prudential	2,260,000	34,634,500	2.42
QinetiQ	3,960,000	8,878,320	0.62
Reed Elsevier	4,860,000	50,301,000	3.51
Sage	10,690,000	54,786,250	3.82
Smith & Nephew	3,600,000	38,664,000	2.70
Standard Life	4,260,000	18,914,400	1.32
Thompson Clive*	3,491	698	0.00
Whitbread	500,000	24,725,000	1.72
Workspace	1,690,000	15,176,200	1.06
Investment Trusts 3.36% (3.32%)			
Bilfinger Berger Global	10,000,000	12,275,000	0.86
HICL Infrastructure	10,960,000	16,878,400	1.18
John Laing Infrastructure Fund	15,600,000	18,985,200	1.32
United States of America 35.71% (28.72%)			
Abbott Laboratories	836,000	26,089,451	1.82
Accenture	648,860	39,920,960	2.79
Apple	260,000	20,734,533	1.45
Cisco Systems	1,400,000	24,435,684	1.70
Citigroup	360,000	12,640,173	0.88
Disney	426,000	30,903,758	2.16
Dollar General	460,000	22,729,446	1.59
Dun & Bradstreet	368,000	28,549,425	1.99
Equifax	760,000	46,898,964	3.27

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
United States of America (continued)			
Eversource Energy	750,000	21,650,664	1.51
Express Scripts	260,000	14,703,631	1.03
Google class 'A' shares	36,000	12,361,595	0.86
Intuit	386,000	24,730,311	1.73
Medtronic	400,000	18,841,483	1.31
Merck & Co	800,000	28,943,855	2.02
Microsoft	669,000	18,780,664	1.31
Principal Financial	750,000	24,445,222	1.71
Reynolds American	836,000	39,671,063	2.77
TJX	400,000	16,827,113	1.17
TripAdvisor	100,000	5,540,790	0.39
Walgreens Boots Alliance	260,000	13,959,687	0.97
Wiley(John)& Sons	533,684	18,426,299	1.28
Hong Kong 1.74% (1.43%)			
AIA	6,000,000	24,876,050	1.74
Japan 0.74% (0.63%)			
Sugi	326,000	10,570,586	0.74
France 1.98% (3.86%)			
Sanofi	300,000	18,754,516	1.31
Vivendi	600,000	9,617,428	0.67
Germany 5.16% (3.41%)			
Bayer (Registered)	450,000	40,154,091	2.80
MTU Aero Engines	175,000	10,498,760	0.73
SAP	526,000	23,376,536	1.63
Netherlands 3.90% (2.65%)			
Wolters Kluwer	2,960,000	55,876,160	3.90
Sweden 0.83% (2.54%)			
Ericsson series 'B' shares	1,800,000	11,848,684	0.83

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Switzerland 7.69% (7.32%)			
Novartis	777,000	48,714,485	3.40
Roche	230,000	40,998,775	2.86
Swisscom	57,560	20,501,197	1.43
Portfolio of investments		1,388,624,668	96.91
Net current assets		44,257,061	3.09
Total Net Assets		1,432,881,729	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in Thailand, Denmark, Italy and Norway categories, which, at 30 June 2014, represented 0.58%, 1.53%, 0.44% and 0.67% respectively of the Total Net Assets of the Fund.

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

*Delisted/Suspended/unlisted security.

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		131,675,497	103,687,030
Revenue	2	39,290,599		39,451,622
Expenses	3	(22,086,424)		(21,696,257)
Finance costs: Interest	5	<u>(220)</u>		<u>(173)</u>
Net revenue before taxation		17,203,955		17,755,192
Taxation	4	<u>(2,244,902)</u>		<u>(1,612,810)</u>
Net revenue after taxation			<u>14,959,053</u>	<u>16,142,382</u>
Total return before distributions			146,634,550	119,829,412
Finance costs: Distributions	5		(15,039,421)	(16,183,660)
Change in net assets attributable to Shareholders from investment activities			<u>131,595,129</u>	<u>103,645,752</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		1,369,899,043	1,339,400,829
Amounts receivable on issue of shares	62,495,359		53,747,627
Amounts payable on cancellation of shares	<u>(133,037,399)</u>		<u>(128,339,395)</u>
		(70,542,040)	(74,591,768)
Stamp Duty Reserve Tax		-	(136,521)
Change in net assets attributable to Shareholders from investment activities (see above)		131,595,129	103,645,752
Retained distributions on accumulation shares		1,924,406	1,574,182
Unclaimed distributions		5,191	6,569
Closing net assets attributable to Shareholders		<u>1,432,881,729</u>	<u>1,369,899,043</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			1,388,624,668		1,309,817,451
Debtors	7	33,497,870		20,876,183	
Cash and bank balances	8	<u>34,746,683</u>		<u>65,972,006</u>	
Total other assets			<u>68,244,553</u>		<u>86,848,189</u>
Total assets			1,456,869,221		1,396,665,640
LIABILITIES					
Creditors	9	(11,681,476)		(15,194,343)	
Distribution payable on income shares		<u>(12,306,016)</u>		<u>(11,572,254)</u>	
Total other liabilities			<u>(23,987,492)</u>		<u>(26,766,597)</u>
Total liabilities			(23,987,492)		(26,766,597)
Net assets attributable to Shareholders			<u>1,432,881,729</u>		<u>1,369,899,043</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	6.5329	0.6533	5.8796	0.0000	5.8796	5.3087
Group 2	3.7912	0.3791	3.4121	2.4675	5.8796	5.3087
Institutional Shares (Accumulation)						
Group 1	10.2534	1.0253	9.2281	0.0000	9.2281	8.1649
Group 2	5.9810	0.5981	5.3829	3.8452	9.2281	8.1649
Institutional Shares W (Net Income)						
Group 1	2.0628	0.2063	1.8565	0.0000	1.8565	1.5884
Group 2	0.9776	0.0978	0.8798	0.9767	1.8565	1.5884
Institutional Shares W (Net Accumulation)						
Group 1	2.1544	0.2154	1.9390	0.0000	1.9390	1.6334
Group 2	1.0203	0.1020	0.9183	1.0207	1.9390	1.6334
Retail Advised Shares B (Net Income)						
Group 1	1.6790	0.1679	1.5111	0.0000	1.5111	1.3578
Group 2	1.3080	0.1308	1.1772	0.3339	1.5111	1.3578
Retail Advised Shares B (Net Accumulation)						
Group 1	1.7449	0.1745	1.5704	0.0000	1.5704	1.3921
Group 2	1.1810	0.1181	1.0629	0.5075	1.5704	1.3921

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.1968	0.0197	0.1771	0.0000	0.1771	1.2305
Group 2	0.0000	0.0000	0.0000	0.1771	0.1771	1.2305
Institutional Shares (Accumulation)						
Group 1	2.5273	0.2527	2.2746	0.0000	2.2746	3.3286
Group 2	0.4947	0.0495	0.4452	1.8294	2.2746	3.3286
Institutional Shares W (Net Income)						
Group 1	0.6140	0.0614	0.5526	0.0000	0.5526	0.7343
Group 2	0.1832	0.0183	0.1649	0.3877	0.5526	0.7343
Institutional Shares W (Net Accumulation)						
Group 1	0.6387	0.0639	0.5748	0.0000	0.5748	0.7489
Group 2	0.2390	0.0239	0.2151	0.3597	0.5748	0.7489
Retail Advised Shares B (Net Income)						
Group 1	0.3802	0.0380	0.3422	0.0000	0.3422	0.5326
Group 2	0.0764	0.0076	0.0688	0.2734	0.3422	0.5326

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

					Period	
					Group 1: Shares purchased prior to 1 July 2014	
					Group 2: Shares purchased 1 July 2014 to 31 December 2014	
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3943	0.0394	0.3549	0.0000	0.3549	0.5429
Group 2	0.1350	0.0135	0.1215	0.2334	0.3549	0.5429

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015	30/06/2014
	£	£
Gains on non-derivative securities	132,084,689	104,181,783
Currency exchange losses	(359,789)	(467,778)
Activity charges	(49,403)	(27,871)
Overseas transaction tax	-	896
Net capital gains	131,675,497	103,687,030

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	12	251,419
Interest on debt securities	1,184,244	2,481,042
Overseas dividends	22,351,018	19,182,314
Property income distribution	70,020	-
Stock lending	104,968	77,632
UK dividends	15,580,337	17,459,215
Total revenue	39,290,599	39,451,622

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	20,582,597	20,175,409
Administration fees	1,327,012	1,312,556
Registrar's disbursement fees	1,745	1,969
Safe custody charges	108,610	91,160
	22,019,964	21,581,094
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	484	1,551
	59,884	60,951
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,299	6,840
- Non-audit services (tax compliance fee)†	-	2,532
Financial Conduct Authority fee	277	287
Expenses associated with making tax reclaims	-	44,553
	6,576	54,212
Total expenses	22,086,424	21,696,257

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,800 (2014: £5,700) and £nil (2014: £2,110) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	-
Overseas tax withheld	2,244,902	1,675,565
Repayment of French withholding tax	-	(62,755)
Total current tax charge (see note 4b)	2,244,902	1,612,810

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	17,203,955	17,755,192
Corporation tax @ 20%	3,440,791	3,551,038
Effects of:		
Dividends not subject to corporation tax	(7,544,332)	(7,328,305)
Excess management expenses	4,103,541	3,777,267
Repayment of French withholding tax	-	(62,755)
Overseas tax withheld	2,244,902	1,675,565
Total current tax charge (see note 4a)	2,244,902	1,612,810

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £127,216,789 (30/06/14: £106,699,086), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £25,443,358 (30/06/14: £21,339,817).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Interim dividend 31 December - Sterling Income Shares	351,136	2,716,479
Interim dividend 31 December - Institutional Shares (Accumulation)	297,712	411,384
Interim dividend 31 December - Institutional Shares W (Net Income)	274,608	59,918
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	84,343	24,762
Interim dividend 31 December - Retail Advised Shares B (Net Income)	20,296	29,714
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	639	239
Final dividend 30 June - Sterling Income Shares	11,023,883	11,092,855
Final dividend 30 June - Institutional Shares (Accumulation)	1,106,084	988,365
Final dividend 30 June - Institutional Shares W (Net Income)	1,235,650	402,161
Final dividend 30 June - Institutional Shares W (Net Accumulation)	432,507	147,503
Final dividend 30 June - Retail Advised Shares B (Net Income)	46,483	77,238
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	3,121	1,929
	14,876,462	15,952,547

Notes to the Financial Statements (continued)

5 Finance costs (continued)

Distributions (continued)

	30/06/2015	30/06/2014
	£	£
Amounts added on issue of shares	(191,558)	(140,596)
Amounts deducted on cancellation of shares	354,517	371,709
Net distributions for the year	15,039,421	16,183,660
Interest	220	173
Total finance costs	15,039,641	16,183,833

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	14,959,053	16,142,382
Equalisation on conversions	80,347	41,081
Undistributed revenue brought forward	21	218
Undistributed revenue carried forward	-	(21)
	15,039,421	16,183,660

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	2,870,712	3,457,331
Amount receivable for issue of shares	701,065	248,809
Amounts receivable on open currency contracts	8,726,246	-
Overseas tax recoverable	2,351,580	1,989,603
Sales awaiting settlement	18,848,267	15,180,440
	33,497,870	20,876,183

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	207,534	8,875,682
Cash held in BNY Mellon Sterling Liquidity Fund	34,539,149	57,096,324
	34,746,683	65,972,006

Notes to the Financial Statements (continued)

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	1,983,149	1,857,831
Amount payable for cancellation of shares	978,739	5,543,415
Amounts payable on open currency contracts	8,719,588	-
Purchases awaiting settlement	-	7,793,097
	11,681,476	15,194,343

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees and safe custody charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £2,254,153 (30/06/14: £7,132,124).

11 Financial instruments

Interest rate risk

The Fund does not invest in a significant exposure in either fixed or floating rate securities, interest rate risk exposure is mainly restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivatives

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	561,049,087	31,596,870	592,645,957	630,755,950
Denmark	-	-	-	20,941,037
Europe	158,281,033	80,975	158,362,008	142,267,749
Hong Kong	24,876,050	-	24,876,050	19,558,953
India	-	-	-	882
Japan	10,570,586	-	10,570,586	8,639,496
Norway	-	-	-	9,188,391
Sweden	11,848,684	308,057	12,156,741	35,238,490
Switzerland	110,214,457	1,507,733	111,722,190	101,475,914
Taiwan	-	38,298	38,298	851
Thailand	-	-	-	7,919,892
United States of America	511,784,771	10,725,128	522,509,899	393,911,438
Total	1,388,624,668	44,257,061	1,432,881,729	1,369,899,043

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		730,334,248		648,028,927
Commissions	433,205		455,042	
Taxes	<u>986,908</u>		<u>921,410</u>	
Total purchase costs		1,420,113		1,376,452
Gross purchases total		<u>731,754,361</u>		<u>649,405,379</u>
Analysis of total sales proceeds:				
Sales before transaction costs		786,925,033		701,855,068
Commissions	(458,107)		(465,602)	
Taxes	<u>(10,037)</u>		<u>(9,698)</u>	
Total sales costs		(468,144)		(475,300)
Total sales net of transaction costs		<u>786,456,889</u>		<u>701,379,768</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £35,352,965 of investments were subject to stock lending agreements and the Fund held £39,054,845 in collateral. The collateral is held 100% in equity securities.

As at 30 June 2014, there were no investments subject to stock lending agreements.

The gross earnings and the fees for the year are £131,210 (30/06/14: £97,040) and £26,242 (30/06/14: £19,408).

15 Shareholders' funds

The Fund currently has six share classes; Sterling Income Shares, Institutional Shares (Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Accumulation)	1.00%	0.03%
Institutional Shares W (Net Income)	0.63%	0.03%
Institutional Shares W (Net Accumulation)	0.63%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 536. The distributions are given in the distribution statements on pages 542 to 543. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET INCOME FUND

**Annual Report
for the period ended
30 June 2015**

Fund Report

for the period ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£13.81m
Comparative Index:	60% MSCI AC World / 40% Hedged BoA ML Global Broad Market Index
Sector:	The Investment Association Flexible Investment
Yield as at 30 June 2015:	
Sterling Income Shares	4.20%
Institutional Shares W (Net Income)	4.20%
Institutional Shares W (Net Accumulation)	4.20%
Institutional Shares F (Net Income)	4.20%
Institutional Shares F (Net Accumulation)	4.20%
Retail Advised Shares B (Net Income)	4.20%
Retail Advised Shares B (Net Accumulation)	4.20%
Key Dates: Fund Launch	04 February 2015

Investment Objective

The objective of the Fund is to provide income with the potential for capital growth over the longer term.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	n/a	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares F (Net Income)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares F (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	n/a	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
60% MSCI AC World / 40% Hedged BoA ML Global	n/a	n/a	n/a	n/a	n/a

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

The Fund was launched on 4 February 2015.

The Fund aims to provide monthly income with the potential for capital growth over the longer term by investing in a broad diversified multi-asset portfolio.

The most attractive income-generating investment opportunities are sought across all asset classes and blended within a single portfolio. The Fund seeks to achieve a yield that is 30% higher than a traditional 60/40 equity/bond comparative index.

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period.

Purchases	Sales
BNY Mellon Newton Global High Yield Bond Fund	Macquarie Korea Infrastructure Fund
GCP Infrastructure Investments Fund	High Speed Rail Finance 1.566% Notes 1/11/2038
VPC Specialty Lending Investments	CRH
HICL Infrastructure	Belle International
Greencoat UK Wind	Philippine Long Distance Telephone
Old Mutual	Ladbrokes
Reynolds American	Nexans
International Public Partnership	Renishaw
Volta Finance	Pirelli
Wolters Kluwer	Drill Rigs 6.5% Bonds 1/10/2017

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2015 (from 4 February)	103.58	98.00	1.8181
Institutional Shares W (Net Income)	Pence	Pence	Pence
2015 (from 4 February)	103.68	98.20	1.8064
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2015 (from 4 February)	104.26	99.30	1.8150
Institutional Shares F (Net Income)	Pence	Pence	Pence
2015 (from 4 February)	103.70	98.25	1.8079
Institutional Shares F (Net Accumulation)	Pence	Pence	Pence
2015 (from 4 February)	104.28	99.34	1.8150
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2015 (from 4 February)	103.64	98.12	1.8038
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2015 (from 4 February)	104.21	99.21	1.8136

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2015	119,136	96.69	123,220
Institutional Shares W (Net Income)		Pence	
30/06/2015	6,257,252	96.91	6,456,921
Institutional Shares W (Net Accumulation)		Pence	
30/06/2015	7,412,127	98.70	7,510,133
Institutional Shares F (Net Income)		Pence	
30/06/2015	4,902	96.95	5,056
Institutional Shares F (Net Accumulation)		Pence	
30/06/2015	4,937	98.74	5,000
Retail Advised Shares B (Net Income)		Pence	
30/06/2015	4,896	96.84	5,056
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2015	4,930	98.60	5,000

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015* %
Sterling Income Shares	1.76
Institutional Shares W (Net Income)	1.03
Institutional Shares W (Net Accumulation)	1.04
Institutional Shares F (Net Income)	0.84
Institutional Shares F (Net Accumulation)	0.88
Retail Advised Shares B (Net Income)	1.30
Retail Advised Shares B (Net Accumulation)	1.30

* Fund launched 04 February 2015

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 1.13%			
Treasury 3.25% Stock 22/1/2044	£47,331	52,238	0.38
Treasury 4.5% Stock 7/12/2042	£76,665	103,580	0.75
Overseas Government Bonds 3.23%			
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL610,000	91,430	0.66
Ecuador (Government) 9.375% Bonds 15/12/2015	USD105,000	66,430	0.48
Mexican Bonos 6.5% Bonds 9/6/2022	MXN2,017,100	84,683	0.62
New Zealand 5.5% Bonds 15/4/2023	NZD279,000	138,054	1.00
Republic of Peru 6.95% Bonds 12/8/2031	PEN330,000	64,819	0.47
Sterling Denominated Corporate Bonds 8.87%			
AA Bond 9.5% Bonds 31/7/2043	£100,000	108,946	0.79
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£43,000	78,988	0.57
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2020	£100,000	109,896	0.80
Balfour Beatty Finance No. 2 1.875% Convertible Bonds 3/12/2018	£100,000	96,920	0.70
High Speed Rail Finance 1 1.566% Senior European Medium Term Notes 1/11/2038	£100,000	129,027	0.93
House of Fraser Funding 8.875% Bonds 15/8/2018	£100,000	104,854	0.76
National Grid Gas 4.1875% Bonds 14/12/22	£45,000	89,012	0.64
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£54,000	64,070	0.46
Scottish Widows 5.5% Bonds 16/6/2023	£100,000	103,324	0.75
Standard Chartered 8.103% Guaranteed Perpetual Subordinated Floating Rate Bonds	£87,000	89,758	0.65
Tesco 4% European Medium Term Bonds 8/9/2016	£53,000	83,893	0.61
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£96,556	91,984	0.67
Unique Pub Finance 5.659% Bonds 30/6/2027	£72,386	73,851	0.54
Non-Sterling Denominated Corporate Bonds 4.66%			
Cirsa Funding Luxembourg 8.75% 15/5/2018	EUR43,903	31,648	0.23
Corral Petroleum Holdings 15% Bonds 31/12/2017	EUR59,584	39,366	0.28
Detour Gold 5.5% Bonds 30/11/2017	USD118,000	73,952	0.54
Eksportfinans 5.5% Bonds 25/5/2016	USD86,000	56,255	0.41
First Quantum Minerals 6.75% Bonds 15/2/2020	USD37,000	22,762	0.16
First Quantum Minerals 7% Bonds 15/2/2021	USD37,000	22,497	0.16
Lloyds TSB Bank 13% Subordinated Floating Rate Bonds 19/12/2021	AUD 65,000	36,275	0.26
Nielsen Finance 5% Bonds 15/4/2022	USD99,000	61,690	0.45
Pershing Square Holdings 5.5% Senior Notes 15/7/2022	USD250,000	159,590	1.16
Petrobras Global Finance 6.875% Bonds 20/1/2040	USD97,000	54,946	0.40
Sprint 7.125% Bonds 15/6/2024	USD76,000	44,826	0.32
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD65,000	40,194	0.29
United Kingdom 22.52%			
BAE Systems	22,898	103,316	0.75
Balfour Beatty	37,419	44,155	0.32
Bank of Georgia	5,137	99,966	0.73
BHP Billiton	5,776	72,142	0.52
BNY Mellon Newton Global High Yield Bond Fund	436,817	368,280	2.67
British American Tobacco	3,423	116,878	0.85
Centrica	48,917	129,043	0.93
Cobham	24,161	63,544	0.46
Dixons Carphone	31,490	142,744	1.03
GlaxoSmithKline	9,945	131,523	0.95
Greencoat UK Wind	163,657	181,659	1.32
HICL Infrastructure	143,821	221,484	1.60
Infinis Energy	80,714	156,585	1.13
International Public Partnership	122,614	166,387	1.21
Mitchells & Butlers	13,066	59,620	0.43
Next	1,846	137,435	1.00
Old Mutual	79,679	160,474	1.16

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom (continued)			
P2P Global Investments Fund	9,856	102,995	0.75
Prudential	8,505	130,339	0.94
Royal Dutch Shell class 'A' shares	3,890	69,495	0.50
SSE	8,823	135,521	0.98
VPC Specialty Lending Investments	309,965	316,164	2.29
United States of America 14.19%			
Ambev ADR (each representing 1 ordinary share)	26,753	103,596	0.75
Apple	1,518	121,058	0.88
Applied Materials	10,153	123,951	0.90
CA	6,600	122,877	0.89
Citigroup	1,649	57,899	0.42
Emerson Electric	3,871	136,409	0.99
Fair Oaks Income Fund	217,499	140,371	1.02
Las Vegas Sands	3,955	132,152	0.96
Mattel	4,055	66,213	0.48
Microsoft	5,060	142,048	1.03
Paychex	2,507	74,698	0.54
Principal Financial	3,492	113,817	0.82
Reynolds American	3,645	172,968	1.25
Sysco	5,392	123,700	0.90
Taiwan Semiconductor Manufacturing ADS (each representing 5 ordinary shares)	5,779	83,413	0.60
TBC Bank GDR(representing 1 ordinary share each)	8,132	53,258	0.39
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	2,956	111,101	0.80
Wiley(John)& Sons	2,296	79,273	0.57
Australia 2.23%			
Dexus Property	33,280	118,729	0.86
Insurance Australia	38,692	105,513	0.76
MYOB	48,255	79,002	0.57
South32	5,776	4,967	0.04
Brazil 0.57%			
CCR	25,850	78,892	0.57
Denmark 0.70%			
TDC	20,685	96,395	0.70
France 1.90%			
Sanofi	1,541	96,336	0.70
Suez Environnement	6,071	71,742	0.52
Total	3,045	93,993	0.68
Germany 1.66%			
Bayer (Regd.)	852	76,025	0.55
Telefonica Deutschland	41,698	153,055	1.11
Guernsey 7.26%			
Amedeo Air Four Plus	96,150	99,035	0.72
Bluefield Solar Income Fund	152,907	166,669	1.21
Doric Nimrod Air Three preference shares	63,411	65,947	0.48
DP Aircraft	117,115	78,191	0.56
ICG-Longbow Senior Secured UK Property Debt Investments	125,466	127,348	0.92
NB Global Floating Rate Income Fund	44,555	43,374	0.31
Renewables Infrastructure	146,864	156,043	1.13
Starwood European Real Estate Finance	94,065	100,885	0.73
Volta Finance	32,468	165,388	1.20

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Hong Kong 1.38%			
Link Real Estate Investment Trust	32,500	120,751	0.87
Sands China	33,200	70,798	0.51
Israel 0.64%			
Bank Hapoalim	25,740	88,203	0.64
Ireland 0.99%			
Accenture	2,212	136,093	0.99
Italy 0.40%			
Pirelli	5,182	55,546	0.40
Japan 0.92%			
Japan Tobacco	5,600	126,685	0.92
Jersey 4.24%			
Blackstone	172,548	122,245	0.89
GCP Infrastructure Investments Fund	281,416	322,221	2.33
Wolseley	3,478	141,311	1.02
Luxembourg 2.09%			
B&M European Value Retail	24,973	85,607	0.62
Bilfinger Berger Global	55,599	68,248	0.49
Samsonite International	61,654	135,015	0.98
Mexico 0.97%			
Kimberly Clark de Mexico	97,342	133,686	0.97
Netherlands 1.80%			
Reed Elsevier	8,338	125,676	0.91
Wolters Kluwer	6,516	123,003	0.89
New Zealand 0.77%			
Spark New Zealand	88,075	105,859	0.77
Poland 0.49%			
Powszechny Zaklad Ubezpieczen	927	67,807	0.49
Singapore 1.37%			
Cache Logistics Trust	151,900	82,490	0.60
Mapletree Greater	102,300	49,033	0.35
Parkway Life Real Estate Investment Trust	52,800	57,347	0.42
South Africa 0.32%			
Life Healthcare	22,196	43,638	0.32
Sweden 1.94%			
Kinnevik	6,378	128,102	0.93
Millicom International Cellular	1,406	65,885	0.48
TeliaSonera	19,741	73,823	0.53
Switzerland 3.55%			
Credit Suisse	5,534	96,764	0.70
Novartis	2,288	143,448	1.04
Roche	649	115,688	0.84
Zurich Financial Services	694	134,333	0.97

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Thailand 1.98%			
Advanced Info Service (Alien Market)	13,000	58,492	0.42
Bangkok Bank	11,300	37,866	0.27
Bangkok Expressway	52,000	38,668	0.28
Intouch (non-voting Depository Receipts)	47,170	69,043	0.50
Tesco Lotus Retail Growth Freehold & Leasehold Property	276,700	69,802	0.51
Derivatives 0.35%			
AUD Forward Foreign Currency Contracts 0.07%			
Forward Foreign Currency Contracts 15/07/15	AUD (180,660)	(88,230)	(0.64)
Forward Foreign Currency Contracts 15/07/15	£93,283	93,283	0.67
Forward Foreign Currency Contracts 15/07/15	AUD (28,555)	(13,946)	(0.10)
Forward Foreign Currency Contracts 15/07/15	£14,691	14,691	0.11
Forward Foreign Currency Contracts 15/07/15	AUD (135,681)	(66,264)	(0.48)
Forward Foreign Currency Contracts 15/07/15	£70,445	70,445	0.51
BRL Forward Foreign Currency Contracts 0.02%			
Forward Foreign Currency Contracts 14/08/15	BRL(440,000)	(88,665)	(0.64)
Forward Foreign Currency Contracts 14/08/15	£91,676	91,676	0.66
EUR Forward Foreign Currency Contracts 0.06%			
Forward Foreign Currency Contracts 15/07/15	EUR(558,000)	(395,430)	(2.86)
Forward Foreign Currency Contracts 15/07/15	£403,485	403,485	2.92
HKD Forward Foreign Currency Contracts 0.00%			
Forward Foreign Currency Contracts 15/07/15	HKD(3,170,000)	(260,018)	(1.88)
Forward Foreign Currency Contracts 15/07/15	USD408,918	260,034	1.88
PEN Forward Foreign Currency Contracts 0.00%			
Forward Foreign Currency Contracts 14/08/15	PEN(331,000)	(65,827)	(0.48)
Forward Foreign Currency Contracts 14/08/15	USD103,908	66,090	0.48
PLN Forward Foreign Currency Contracts 0.03%			
Forward Foreign Currency Contracts 15/07/15	PLN(427,000)	(72,173)	(0.52)
Forward Foreign Currency Contracts 15/07/15	£76,586	76,586	0.55
MXN Forward Foreign Currency Contracts 0.03%			
Forward Foreign Currency Contracts 14/08/15	MXN(2,170,000)	(87,681)	(0.64)
Forward Foreign Currency Contracts 14/08/15	£92,359	92,359	0.67
NZD Forward Foreign Currency Contracts 0.27%			
Forward Foreign Currency Contracts 14/08/15	NZD(593,034)	(254,110)	(1.84)
Forward Foreign Currency Contracts 14/08/15	£291,744	291,744	2.11
USD Forward Foreign Currency Contracts (0.13)%			
Forward Foreign Currency Contracts 14/08/15	USD(124,013)	(78,878)	(0.57)
Forward Foreign Currency Contracts 14/08/15	£80,249	80,249	0.58
Forward Foreign Currency Contracts 14/08/15	USD(132,181)	(84,073)	(0.61)
Forward Foreign Currency Contracts 14/08/15	£85,389	85,389	0.62
Forward Foreign Currency Contracts 14/08/15	USD(76,715)	(48,794)	(0.35)
Forward Foreign Currency Contracts 14/08/15	£49,317	49,317	0.36

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 14/08/15	USD(251,365)	(159,879)	(1.16)
Forward Foreign Currency Contracts 14/08/15	£159,752	159,752	1.16
Forward Foreign Currency Contracts 14/08/15	USD826,972	525,992	3.81
Forward Foreign Currency Contracts 14/08/15	£(547,374)	(547,373)	(3.97)
Portfolio of investments*		12,858,765	93.12
Net current assets		949,415	6.88
Total Net Assets		13,808,180	100.00
Total unapproved and unquoted securities			0.00%

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

*Net of investment liabilities

Portfolio Statement by Credit Rating

as at 30 June 2015

Standard & Poor's Ratings:	Market Value (£'000s) 30/06/2015	Total Net Assets (%) 30/06/2015
AAA	156	1.13
AA	138	1.00
A	472	3.41
BBB	516	3.74
BB	312	2.26
B	248	1.79
Not rated (by S&P)	628	4.56
Equities	10,339	74.88
Derivatives	50	0.35
Portfolio of investments	12,859	93.12
Net current assets	949	6.88
Total Net Assets	13,808	100.00

Standard & Poor's (S&P) are one of the best-known and most influential credit rating agencies. Their role is to assess the risk of certain bonds through the

While S&P warns investors that a credit rating is not a recommendation to purchase, sell or hold a particular security, their initial ratings and revised

S&P's ratings range is as follows:

Highest quality	AAA
High quality	AA
Upper medium quality	A
Medium grade	BBB
Somewhat speculative	BB
Low grade, speculative	B
Low grade, default possible	CCC
Low grade, partial recovery possible	CC
Default, recovery unlikely	C
In default	D

Financial Statements

Statement of Total Return

for the period ended 30 June 2015

	Notes	£	30/06/2015* £
Income			
Net capital losses	1		(409,439)
Revenue	2	239,289	
Expenses	3	(45,094)	
Finance costs: Interest	5	(377)	
Net revenue before taxation		193,818	
Taxation	4	(12,825)	
Net revenue after taxation			180,993
Total return before distributions			(228,446)
Finance costs: Distributions	5		(217,070)
Change in net assets attributable to Shareholders from investment activities			(445,516)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 June 2015

	£	30/06/2015* £
Opening net assets attributable to Shareholders		-
Amounts receivable on issue of shares	14,547,131	
Amounts payable on cancellation of shares	(419,152)	
		14,127,979
Dilution adjustment		4,931
Change in net assets attributable to Shareholders from investment activities (see above)		(445,516)
Retained distributions on accumulation shares		120,786
Closing net assets attributable to Shareholders		13,808,180

* for the period 4 February 2015 to 30 June 2015

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £
ASSETS			
Investment assets*			12,880,273
Debtors	7	384,500	
Cash and bank balances	8	644,390	
Total other assets			1,028,890
Total assets			13,909,163
LIABILITIES			
Investment liabilities			(21,508)
Creditors	9	(34,226)	
Distribution payable on income shares		(45,249)	
Total other liabilities			(79,475)
Total liabilities			(100,983)
Net assets attributable to Shareholders			13,808,180

*Gross of investment liabilities

Distribution Statements

for the period ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 June 2015 Group 2: Shares purchased 1 June 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.7757	0.0776	0.6981	0.0000	0.6981	n/a
Group 2	0.2122	0.0212	0.1910	0.5071	0.6981	n/a
Institutional Shares W (Net Income)						
Group 1	0.7627	0.0763	0.6864	0.0000	0.6864	n/a
Group 2	0.0976	0.0098	0.0878	0.5986	0.6864	n/a
Institutional Shares W (Net Accumulation)						
Group 1	0.7722	0.0772	0.6950	0.0000	0.6950	n/a
Group 2	0.1732	0.0173	0.1559	0.5391	0.6950	n/a
Institutional Shares F (Net Income)						
Group 1	0.7643	0.0764	0.6879	0.0000	0.6879	n/a
Group 2	0.0668	0.0067	0.0601	0.6278	0.6879	n/a
Institutional Shares F (Net Accumulation)						
Group 1	0.7722	0.0772	0.6950	0.0000	0.6950	n/a
Group 2	0.7722	0.0772	0.6950	0.0000	0.6950	n/a
Retail Advised Shares B (Net Income)						
Group 1	0.7598	0.0760	0.6838	0.0000	0.6838	n/a
Group 2	0.0631	0.0063	0.0568	0.6270	0.6838	n/a
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7707	0.0771	0.6936	0.0000	0.6936	n/a
Group 2	0.7707	0.0771	0.6936	0.0000	0.6936	n/a

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 May 2015 Group 2: Shares purchased 1 May 2015 to 31 May 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Sterling Income Shares						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares W (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares W (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares F (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 May 2015
						Group 2: Shares purchased 1 May 2015 to 31 May 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/05/2014
Institutional Shares F (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Retail Advised Shares B (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 April 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/04/2014
Sterling Income Shares						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares W (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares W (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares F (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares F (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Retail Advised Shares B (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 March 2015
						Group 2: Shares purchased 1 March 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.1122	0.0112	0.1010	0.1790	0.2800	n/a
Institutional Shares W (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0480	0.0048	0.0432	0.2368	0.2800	n/a
Institutional Shares W (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0351	0.0035	0.0316	0.2484	0.2800	n/a
Institutional Shares F (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Institutional Shares F (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Retail Advised Shares B (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.0000	0.0000	0.0000	0.2800	0.2800	n/a
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 4 February 2015
						Group 2: Shares purchased 4 February 2015 to 28 February 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 28/02/2014
Sterling Income Shares						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.1058	0.0106	0.0952	0.1848	0.2800	n/a
Institutional Shares W (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3007	0.0301	0.2706	0.0094	0.2800	n/a
Institutional Shares W (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3037	0.0304	0.2733	0.0067	0.2800	n/a
Institutional Shares F (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.1368	0.0137	0.1231	0.1569	0.2800	n/a

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Period
						Prior Period 28/02/2014
Institutional Shares F (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Retail Advised Shares B (Net Income)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Retail Advised Shares B (Net Accumulation)						
Group 1	0.3111	0.0311	0.2800	0.0000	0.2800	n/a
Group 2	0.3111	0.0311	0.2800	0.0000	0.2800	n/a

	Franked (%)	Unfranked (%)	Utilised foreign tax (£)	Utilised foreign tax (pence per share)
Final distributions for 30 June 2014	94.09	5.91	n/a	n/a
Interim distributions for 31 May 2014	94.73	5.27	n/a	n/a
Interim distributions for 30 April 2014	85.52	14.48	n/a	n/a
Interim distributions for 31 March 2014	97.29	2.71	n/a	n/a
Interim distributions for 28 February 2014	100.00	0.00	n/a	n/a

Notes to the Financial Statements

1 Net capital losses

The net capital losses on investments during the period comprise:	30/06/2015*
	£
Losses on non-derivative securities	(495,032)
Gains on forward currency contracts	64,228
Currency exchange gains	26,976
Activity charges	(5,611)
Net capital losses	(409,439)

2 Revenue

	30/06/2015*
	£
Bank interest	2
Collective investment scheme distributions	4,223
Interest on debt securities	40,554
Overseas dividends	145,546
Property income distribution	11,086
Stock lending	11
UK dividends	37,867
Total revenue	239,289

3 Expenses

	30/06/2015*
	£
Payable to the ACD or Associate of the ACD:	
ACD's periodic charge	30,674
Administration fees	1,488
Safe custody charges	796
	32,958
Payable to the Depositary or Associate of the Depositary:	
Depositary's fees	1,418
	1,418
Other expenses:	
Auditor's remuneration: - Audit services (audit fee)†	10,454
Financial Conduct Authority fee	111
Sundry expense	153
	10,718
Total expenses	45,094

† The Audit services (audit fee) net of VAT for 2015 is £8,100.

* Notes 1 to 6 are for the period 4 February 2015 to 30 June 2015

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015*
	£
a) Analysis of tax charge in period:	
Corporation tax	256
	<u>256</u>
Overseas tax withheld	11,377
Total current tax charge (see note 4b)	<u>11,633</u>
Deferred tax movement for the period (see note 4c)	1,192
Total tax charge	<u>12,825</u>
b) Factors affecting the tax charge for the period:	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).	
The differences are explained below:	
Net revenue before taxation	193,818
Corporation tax @ 20%	38,764
Effects of:	
Dividends not subject to corporation tax	(36,078)
Double tax relief	(1,238)
Movement in revenue accruals taxable on receipt	(1,192)
Overseas tax withheld	11,377
Total current tax charge (see note 4a)	<u>11,633</u>
c) Deferred tax	
Opening deferred tax balance	-
Deferred tax movement for the period (see note 4a)	1,192
Closing deferred tax balance	<u>1,192</u>

* Notes 1 to 6 are for the period 4 February 2015 to 30 June 2015

5 Finance costs

Distributions

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

	30/06/2015*
	£
Interim dividend 28 February - Sterling Income Shares	97
Interim dividend 28 February - Institutional Shares W (Net Income)	15,380
Interim dividend 28 February - Institutional Shares W (Net Accumulation)	15,814
Interim dividend 28 February - Institutional Shares F (Net Income)	52
Interim dividend 28 February - Institutional Shares F (Net Accumulation)	14
Interim dividend 28 February - Retail Advised Shares B (Net Income)	14
Interim dividend 28 February - Retail Advised Shares B (Net Accumulation)	14
Interim dividend 31 March - Sterling Income Shares	257
Interim dividend 31 March - Institutional Shares W (Net Income)	15,508
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	16,104
Interim dividend 31 March - Institutional Shares F (Net Income)	52
Interim dividend 31 March - Institutional Shares F (Net Accumulation)	14
Interim dividend 31 March - Retail Advised Shares B (Net Income)	14

Notes to the Financial Statements (continued)**5 Finance costs (continued)**

Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	14
Interim dividend 30 April - Sterling Income Shares	286
Interim dividend 30 April - Institutional Shares W (Net Income)	16,174
Interim dividend 30 April - Institutional Shares W (Net Accumulation)	16,337
Interim dividend 30 April - Institutional Shares F (Net Income)	52
Interim dividend 30 April - Institutional Shares F (Net Accumulation)	14
Interim dividend 30 April - Retail Advised Shares B (Net Income)	14
Interim dividend 30 April - Retail Advised Shares B (Net Accumulation)	14
Interim dividend 31 May - Sterling Income Shares	334
Interim dividend 31 May - Institutional Shares W (Net Income)	17,172
Interim dividend 31 May - Institutional Shares W (Net Accumulation)	20,156
Interim dividend 31 May - Institutional Shares F (Net Income)	14
Interim dividend 31 May - Institutional Shares F (Net Accumulation)	14
Interim dividend 31 May - Retail Advised Shares B (Net Income)	14
Interim dividend 31 May - Retail Advised Shares B (Net Accumulation)	14
Final dividend 30 June - Sterling Income Shares	860
Final dividend 30 June - Institutional Shares W (Net Income)	44,320
Final dividend 30 June - Institutional Shares W (Net Accumulation)	52,193
Final dividend 30 June - Institutional Shares F (Net Income)	35
Final dividend 30 June - Institutional Shares F (Net Accumulation)	35
Final dividend 30 June - Retail Advised Shares B (Net Income)	34
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	35
	231,469
Amounts added on issue of shares	(15,871)
Amounts deducted on cancellation of shares	1,472
Net distributions for the period	217,070
Interest	377
Total finance costs	217,447

* Notes 1 to 6 are for the period 4 February 2015 to 30 June 2015

6 Net movement between revenue after taxation and distributions

	30/06/2015*
	£
Net revenue after taxation	180,993
Capitalised fees less tax relief paid from capital	36,076
Equalisation on conversions	1
	217,070

* Notes 1 to 6 are for the period 4 February 2015 to 30 June 2015

Notes to the Financial Statements (continued)

7 Debtors

	30/06/2015
	£
Accrued revenue	56,003
Amount receivable for issue of shares	301,976
Amounts receivable on open currency contracts	1,391
Income tax recoverable	845
Overseas tax recoverable	5,637
Sales awaiting settlement	18,648
	384,500

8 Cash & bank balances

	30/06/2015
	£
Cash held at bank	1,692
Cash held in BNY Mellon Sterling Liquidity Fund	642,698
	644,390

9 Creditors

	30/06/2015
	£
Accrued expenses	18,739
Corporation tax payable	256
Amounts payable on open currency contracts	1,389
Deferred tax liability	1,192
Purchases awaiting settlement	12,650
	34,226

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due to the ACD at 30 June 2015 in respect of these transactions was £293,804.

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	796,825	1,226,513	6,342,596	8,365,934	36.70	13.66
Australia	36,275	-	306,843	343,118		
Brazil	-	91,430	78,892	170,322	-	2.51
Denmark	-	-	96,631	96,631		
Europe	3	71,014	1,089,435	1,160,452	12.13	2.67
Hong Kong	-	-	331,675	331,675		
Israel	-	-	88,256	88,256		
Japan	-	-	128,099	128,099		
Mexico	-	84,683	135,322	220,005	6.27	6.95
Poland	-	-	67,807	67,807		
New Zealand	-	138,054	107,092	245,146	4.78	7.80
Peru	-	64,819	1,749	66,568	7.08	16.13
Singapore	-	-	188,870	188,870		
South Africa	-	-	43,678	43,678		
Sweden	-	-	269,778	269,778		
Switzerland	-	-	491,749	491,749		
Thailand	-	-	278,308	278,308		
United States of America	1,390	603,142	3,038,070	3,642,602	6.60	7.40
	834,493	2,279,655	13,084,850	16,198,998		
Liabilities						
United Kingdom	-	-	(612,809)	(612,809)		
Australia	-	-	(168,440)	(168,440)		
Brazil	-	-	(88,665)	(88,665)		
Denmark	-	-	-	-		
Europe	-	-	(395,430)	(395,430)		
Hong Kong	-	-	(260,018)	(260,018)		
Israel	-	-	-	-		
Japan	-	-	-	-		
Mexico	-	-	(87,681)	(87,681)		
Poland	-	-	(72,173)	(72,173)		
New Zealand	-	-	(254,110)	(254,110)		
Peru	-	-	(65,827)	(65,827)		
United States of America	-	-	(385,665)	(385,665)		
	-	-	(2,390,818)	(2,390,818)		
Total	834,493	2,279,655	10,694,032	13,808,180		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
BNY Mellon	4,927	4,927
Barclays	3,274	3,274
JP Morgan	5,729	5,729
Royal Bank Of Scotland	12,997	12,997
State Street	(19,487)	(19,487)
UBS	42,311	42,311
	49,751	49,751

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

As at the balance sheet date there are no derivative holdings.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015
	Investments	Net Current Assets	Total
	£	£	£
United Kingdom	6,833,349	919,776	7,753,125
Australia	171,081	3,597	174,678
Brazil	81,657	-	81,657
Denmark	96,395	236	96,631
Europe	758,592	6,430	765,022
Hong Kong	66,546	5,111	71,657
Israel	88,203	53	88,256
Japan	126,685	1,414	128,099
Mexico	130,687	1,637	132,324
Poland	(4,366)	-	(4,366)
New Zealand	(10,197)	1,233	(8,964)
Peru	(1,009)	1,750	741
Singapore	188,870	-	188,870
South Africa	43,638	40	43,678
Sweden	267,810	1,968	269,778
Switzerland	490,233	1,516	491,749
Thailand	273,871	4,437	278,308
United States of America	3,256,720	217	3,256,937
Total	12,858,765	949,415	13,808,180

Notes to the Financial Statements (continued)

12 Portfolio transaction costs

	30/06/2015
	£
Analysis of total purchase costs:	
Purchases before transaction costs	14,464,707
Commissions	3,828
Taxes	14,597
Total purchase costs	
Gross purchases total	14,483,132
Analysis of total sales proceeds:	
Sales before transaction costs	1,177,897
Commissions	(1,074)
Taxes	(1,111)
Total sales costs	
Total sales net of transaction costs	1,175,712

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date.

14 Stock lending

As at 30 June 2015, £44,459 of investments were subject to stock lending agreements and the Fund held £50,118 in collateral. The collateral is held in equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the period are £14 and £3 respectively.

15 Shareholders' funds

The Fund currently has seven share classes; Sterling Income Shares, Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Institutional Shares F (Net Income), Institutional Shares F (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and is shown below:

	ACD charge
Sterling Income Shares	1.25%
Institutional Shares W (Net Income)	0.625%
Institutional Shares W (Net Accumulation)	0.625%
Institutional Shares F (Net Income)	0.50%
Institutional Shares F (Net Accumulation)	0.50%
Retail Advised Shares B (Net Income)	0.85%
Retail Advised Shares B (Net Accumulation)	0.85%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on page 552. The distributions are given in the distribution statements on pages 561 to 564. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON ORIENTAL FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£306.82m
Comparative Index:	FTSE AW Asia Pacific ex Japan TR Index (GBP)
Sector:	The Investment Association Asia Pacific Excluding Japan

Yield as at 30 June 2015:

Sterling Income Shares	1.10%
Euro Accumulation Shares	0.79%
Exempt Shares 1 (Net Accumulation)	2.23%
Institutional Shares (Net Accumulation)	1.70%
P Shares (Net Income)	1.71%
Institutional Shares W (Net Income)	1.97%
Institutional Shares W (Net Accumulation)	1.97%
Retail Advised Shares B (Net Income)	1.63%
Retail Advised Shares B (Net Accumulation)	1.64%

Key Dates: Fund Launch 30 November 1990†
†Managed by Newton since November 1994.

Investment Objective

The objective of the Fund is to achieve capital growth by investing in securities predominantly in Asian and Pacific markets including Australia and New Zealand but excluding Japan.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	-2.69%	-4.95%	14.03%	-15.39%	22.58%
Euro Accumulation Shares	-3.51%	-5.39%	12.97%	-15.41%	21.63%
Exempt Shares 1 (Net Accumulation)	-1.64%	-3.93%	15.25%	-14.47%	23.90%
Institutional Shares (Net Accumulation)	-2.13%	-4.42%	14.68%	-14.89%	23.26%
X Shares (Net Accumulation)	n/a	-3.45%	15.82%	-14.04%	24.52%
P Shares (Net Income)*	-2.12%	-4.36%	14.60%	n/a	n/a
Institutional Shares W (Net Income)*	-1.89%	-4.16%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-1.89%	-4.15%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-2.21%	-4.47%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-2.21%	-4.47%	n/a	n/a	n/a
FTSE AW Asia Pacific ex Japan TR GBP	8.55%	4.62%	13.38%	-10.57%	21.25%

Source: Lipper as at 30 June 2015 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned -2.69% compared with 8.55% from the FTSE AW Asia Pacific ex Japan Index TR.

The Fund generated a negative return, underperforming its comparative index over the 12-month period. The manager began the period with an overweight position in the oil & gas sector. As the oil price fell dramatically in the second half of 2014, this proved unhelpful. The manager reduced the weighting significantly, so that the Fund ended the period with an underweight position. The underweight position in financials was also detrimental.

Australia's Oil Search was a prominent detractor, as its shares weakened with the oil price. The manager views Oil Search as well placed to benefit from competitors being driven out of business and continue to have full conviction in the holding. The Macau casino stocks Sands China and Wynn Macau also detracted from performance, as their sector felt the brunt of the Chinese government's anti-corruption campaign. The manager is confident that the Macau gaming sector is beginning to turn around as the political environment normalises. The largest positive contributor was India's Apollo Hospitals, which operates India's largest chain of private hospitals. The company is benefiting from increased medical tourism from other Asian countries. In the Philippines, energy company First Gen's share price was boosted by impressive results.

The manager established a new position in Baidu, China's leading search engine. Baidu offers significant long-term potential from mobile 'monetisation' (convert into money), as well as an attractive dividend. A holding in China Mobile was added based on the manager's belief that is well positioned to 'monetise' rising data usage in China, as well as Vianet, a provider of data-centre services. In China's healthcare sector, the manager bought new holdings in 3SBio and China Biologic Products, both leaders in their markets. Elsewhere, the manager bought a holding in South32, a company created by a demerging of group assets from BHP Billiton. This company has very low gearing (level of a company's debt in relation to its equity capital) and an interesting asset mix. The manager also participated in the initial public offering of MYOB, an Australian company that offers accounting software. In India, the manager bought Axis Bank, a well-positioned private-sector bank that stands to benefit from the country's cycle of reducing interest rates.

To reduce the Fund's oil exposure, the manager reduced the weighting in Santos and Oil Search, and sold out of Silex completely. The manager also reduced weightings in the commodity-related stocks BHP Billiton and Noble Group. The manager sold out of Singapore's United Overseas Bank and Standard Chartered, given concerns about risks in the Asian banking sector. In Thailand, where the economy is slowing, the manager sold out of Robinsons Department Store and Advanced Info Service, and trimmed the position in Bangkok Bank.

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

Purchases	Sales
Alibaba (sponsored ADS representing 1 ordinary share each)	Noble
China Mobile	Standard Chartered
Baidu ADR (each representing 0.1 ordinary 'A' class shares)	Apollo Hospitals Enterprise
Tencent	BHP Billiton
MYOB	Taiwan Semiconductor Manufacturing
Bangkok Bank	First Gen
Mesoblast	IHH Healthcare
Hero Moto	Santos
Bangkok Dusit Medical Services	Alibaba (sponsored ADS representing 1 ordinary share each)
Energy Development	Australia & New Zealand Banking

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	579.42	434.11	3.6320
2012	531.36	453.48	2.0344
2013	588.27	479.56	3.7479
2014	547.66	466.40	3.5100
2015	568.87	484.34	5.3059
Euro Accumulation Shares	Cents	Cents	Cents
2011	253.58	186.94	0.3556
2012	238.32	208.56	0.0000
2013	255.21	210.20	0.4773
2014	252.73	178.78	0.4067
2015	291.49	252.22	1.4127
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2011	404.76	306.97	6.5205
2012	377.52	323.18	5.2261
2013	425.08	351.15	6.6860
2014	406.96	341.99	6.5333
2015	425.42	363.02	8.1077
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2011	191.05	144.57	2.1768
2012	177.40	151.64	1.6389
2013	198.58	163.57	2.2580
2014	188.89	159.20	2.1815
2015	196.87	167.82	2.8586
X Shares (Net Accumulation)**	Pence	Pence	Pence
2011	411.66	312.92	8.5000
2012	385.68	330.63	7.1188
2013	436.87	361.92	8.7925
2014 (to 16 October)	420.95	352.71	8.6436
**X Shares (Net Accumulation) share class closed 16 October 2014.			
P Shares (Net Income)	Pence	Pence	Pence
2012 (from 22 June)	113.07	98.44	0.0000
2013	128.84	104.89	1.3797
2014	119.53	102.09	1.4539
2015	124.59	106.21	1.8160
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 September)	107.12	98.74	n/a
2013	122.22	99.45	1.4736
2014	113.30	96.83	1.5875
2015	118.26	100.86	1.9866
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 September)	107.13	98.74	n/a
2013	122.22	100.81	1.4790
2014	116.62	98.15	1.6348
2015	121.73	103.82	2.0444

*Distributions are shown in the year declared rather than paid.

Statistics

Price and Revenue Record by Share Class (continued)

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 26 September)	102.96	98.89	n/a
2013	117.28	95.61	1.0220
2014	109.02	93.04	1.2055
2015	113.57	96.79	1.5740
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 26 September)	102.96	98.89	n/a
2013	117.28	96.53	1.0194
2014	111.41	93.95	1.2162
2015	116.07	98.93	1.6204
P Shares (Net Accumulation)***	Pence	Pence	Pence
2012 (from 5 October)	100.35	96.39	n/a
2013 (to 26 July)	114.35	97.97	0.3326

***P Shares (Net Accumulation) share class closed 26 July 2013.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	333,846,661	529.43	63,058,177
30/06/2014	226,787,520	498.38	45,505,340
30/06/2015	144,557,856	479.66	30,137,336
Euro Accumulation Shares		Cents	
30/06/2013	11,129,523	228.69	5,678,627
30/06/2014	5,303,741	230.88	2,868,834
30/06/2015	4,192,758	252.67 ****	2,342,234

****Euro/Sterling exchange rate at close of business 30 June 2015: 1.4115

Exempt Shares 1 (Net Accumulation)

		Pence	
30/06/2013	4,902,612	385.71	1,271,048
30/06/2014	3,270,285	369.58	884,865
30/06/2015	1,617,206	363.51	444,882

Institutional Shares (Net Accumulation)

		Pence	
30/06/2013	147,574,071	180.10	81,941,809
30/06/2014	117,893,035	171.70	68,661,064
30/06/2015	96,502,735	168.04	57,428,683

X Shares (Net Accumulation)**

		Pence	
30/06/2013	7,026,861	396.60	1,771,758
30/06/2014	6,753,281	381.92	1,768,242

**X Shares (Net Accumulation) share class closed 16 October 2014.

Statistics

Net Asset Value History by Share Class (continued)

Share class as at	Net Asset Value (£)	Per share	Shares in issue
P Shares (Net Income)		Pence	
30/06/2013	386,485	115.43	334,808
30/06/2014	12,439	108.65	11,449
30/06/2015	12,121	104.53	11,596
Institutional Shares W (Net Income)		Pence	
30/06/2013	48,889,119	109.37	44,701,491
30/06/2014	26,278,853	102.95	25,526,322
30/06/2015	40,058,804	99.01	40,458,943
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	20,502,919	110.84	18,497,581
30/06/2014	11,819,665	105.96	11,154,544
30/06/2015	13,772,439	103.96	13,248,261
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	22,433,789	105.30	21,305,044
30/06/2014	16,322,337	99.12	16,467,621
30/06/2015	6,102,423	95.35	6,400,182
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	8,180	106.32	7,694
30/06/2014	5,065	101.30	5,000
30/06/2015	4,953	99.06	5,000
P Shares (Net Accumulations)***		Pence	
30/06/2013	101,992	103.67	98,380

***P Shares (Net Accumulations) share class closed 26 July 2013.

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.68	1.66
Euro Accumulation Shares	2.18	2.16
Exempt Shares 1 (Net Accumulation)	0.61	0.59
Institutional Shares (Net Accumulation)	1.11	1.09
X Shares (Net Accumulation)*	n/a	0.09
P Shares (Net Income)	1.11	1.09
Institutional Shares W (Net Income)	0.87	0.84
Institutional Shares W (Net Accumulation)	0.87	0.84
Retail Advised Shares B (Net Income)	1.18	1.16
Retail Advised Shares B (Net Accumulation)	1.18	1.16

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*X Shares (Net Accumulation) share class closed 16 October 2014.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 1.34% (9.23%)			
BHP Billiton	328,000	4,096,720	1.34
Australia 16.60% (21.50)%			
Amcor	1,000,000	6,700,225	2.18
Australia & New Zealand Banking	345,000	5,427,402	1.77
Insurance Australia	1,030,000	2,808,816	0.91
Mesoblast	4,820,000	8,857,003	2.89
MYOB	1,830,000	2,996,041	0.98
Oil Search	2,800,000	9,756,622	3.18
Santos	800,000	3,057,375	1.00
South32	400,000	344,000	0.11
Spotless	7,700,000	7,864,823	2.56
Veda	2,900,000	3,117,975	1.02
New Zealand 2.58% (1.96)%			
Genesis	1,688,000	1,263,033	0.41
Meridian Energy	3,950,000	3,651,981	1.19
Spark New Zealand	2,500,000	3,004,795	0.98
China 12.25% (1.61)%			
21Vianet	193,000	2,516,964	0.82
3SBio	1,713,500	1,367,433	0.45
Alibaba (sponsored ADS representing 1 ordinary share each)	137,000	7,167,521	2.34
Baidu ADR (each representing 0.1 ordinary 'A' class shares)	60,000	7,595,091	2.47
Boshiwa*	27,000,000	0	0.00
China Biologic Products	10,363	758,297	0.25
China Mobile	916,000	7,452,743	2.43
Hengan International	1,200,000	9,035,100	2.94
PetroChina Class 'H' Shares	2,400,000	1,698,756	0.55
Hong Kong 14.09% (14.82)%			
AIA	4,400,000	18,242,437	5.95
Belle International	5,000,000	3,645,699	1.19
Sands China	4,250,000	9,062,986	2.95
Tencent	830,000	10,483,537	3.42
Wynn Macau	1,700,000	1,795,865	0.58
India 15.66% (10.44)%			
Apollo Hospitals Enterprise	1760000	23144599	7.54
Axis Bank	675,000	3,760,540	1.22
Fortis Healthcare	3,850,000	6,869,680	2.24
Hero Moto	145,000	3,641,379	1.19
ITC	3,375,000	10,635,600	3.47
Indonesia 2.74% (3.20)%			
Indofood Sukses	8,850,000	5,233,684	1.71
Matahari Department Store	4,000,000	3,157,188	1.03
South Korea 2.52% (1.98)%			
Samsung Electronics	6,850	4,951,238	1.61
SK Hynix	116,000	2,793,758	0.91
Malaysia 3.33% (3.72)%			
IHH Healthcare	10,700,000	10,206,276	3.33

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Philippines 13.43% (10.44)%			
Energy Development	63,000,000	6,618,669	2.16
First Gen	17,400,000	6,060,662	1.98
GT Capital	675,000	12,973,987	4.23
Robinsons Retail	3,850,000	3,938,873	1.28
Universal Robina	4,250,000	11,602,942	3.78
Singapore 0.71% (8.82)%			
Noble	6,100,000	2,174,816	0.71
Taiwan 5.92% (6.93)%			
Taiwan Semiconductor Manufacturing	6,300,000	18,176,235	5.92
Thailand 6.59% (4.24)%			
Bangkok Bank	1,000,000	3,350,986	1.09
Bangkok Dusit Medical Services	12,800,000	4,723,007	1.54
Intouch (non-voting Depository Receipts)	8,200,000	12,002,364	3.91
Robinson Department Store	160,600	134,542	0.05
United States of America 0.91% (0.00)%			
Yum! Brands	49,000	2,805,653	0.91
Portfolio of investments		302,725,918	98.67
Net current assets		4,095,377	1.33
Total Net Assets		306,821,295	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

*Delisted/Suspended/unlisted security.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital losses	1		(8,945,018)		(36,424,746)
Revenue	2	10,435,648		12,602,287	
Expenses	3	(5,306,036)		(6,843,943)	
Finance costs: Interest	5	(957)		-	
Net revenue before taxation		5,128,655		5,758,344	
Taxation	4	(90,944)		(874,129)	
Net revenue after taxation			5,037,711		4,884,215
Total return before distributions			(3,907,307)		(31,540,531)
Finance costs: Distributions	5		(5,157,928)		(4,965,723)
Change in net assets attributable to Shareholders from investment activities			(9,065,235)		(36,506,254)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		414,446,221		596,802,212
Amounts receivable on issue of shares	8,111,334		17,301,494	
Amounts payable on cancellation of shares	(108,717,695)		(165,290,726)	
		(100,606,361)		(147,989,232)
Dilution adjustment		74,538		257,700
Stamp Duty Reserve Tax		-		(21,080)
Change in net assets attributable to Shareholders from investment activities (see above)		(9,065,235)		(36,506,254)
Retained distributions on accumulation shares		1,972,132		1,900,251
Unclaimed distributions		-		2,624
Closing net assets attributable to Shareholders		306,821,295		414,446,221

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			302,725,918		409,864,450
Debtors	7	4,932,877		4,458,311	
Cash and bank balances	8	<u>4,621,966</u>		<u>5,515,346</u>	
Total other assets			<u>9,554,843</u>		<u>9,973,657</u>
Total assets			312,280,761		419,838,107
LIABILITIES					
Bank overdraft	8	(14,684)		-	
Creditors	9	(2,940,990)		(3,190,736)	
Distribution payable on income shares		<u>(2,503,792)</u>		<u>(2,201,150)</u>	
Total other liabilities			<u>(5,459,466)</u>		<u>(5,391,886)</u>
Total liabilities			(5,459,466)		(5,391,886)
Net assets attributable to Shareholders			<u>306,821,295</u>		<u>414,446,221</u>

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	5.8954	0.5895	5.3059	0.0000	5.3059	3.5100
Group 2	3.6441	0.3644	3.2797	2.0262	5.3059	3.5100
Exempt Shares 1 (Net Accumulation)						
Group 1	9.0086	0.9009	8.1077	0.0000	8.1077	6.5333
Group 2	5.3647	0.5365	4.8282	3.2795	8.1077	6.5333
Institutional Shares (Net Accumulation)						
Group 1	3.1762	0.3176	2.8586	0.0000	2.8586	2.1815
Group 2	1.9297	0.1930	1.7367	1.1219	2.8586	2.1815
X Shares (Net Accumulation)						
Group 1	n/a	n/a	n/a	n/a	n/a	8.6436
Group 2	n/a	n/a	n/a	n/a	n/a	8.6436
P Shares (Net Income)						
Group 1	2.0178	0.2018	1.8160	0.0000	1.8160	1.4539
Group 2	1.3148	0.1315	1.1833	0.6327	1.8160	1.4539
Institutional Shares W (Net Income)						
Group 1	2.2073	0.2207	1.9866	0.0000	1.9866	1.5875
Group 2	1.3774	0.1377	1.2397	0.7469	1.9866	1.5875
Institutional Shares W (Net Accumulation)						
Group 1	2.2716	0.2272	2.0444	0.0000	2.0444	1.6348
Group 2	1.1434	0.1143	1.0291	1.0153	2.0444	1.6348
Retail Advised Shares B (Net Income)						
Group 1	1.7489	0.1749	1.5740	0.0000	1.5740	1.2055
Group 2	0.7334	0.0733	0.6601	0.9139	1.5740	1.2055
Retail Advised Shares B (Net Accumulation)						
Group 1	1.8004	0.1800	1.6204	0.0000	1.6204	1.2162
Group 2	1.8004	0.1800	1.6204	0.0000	1.6204	1.2162

Final dividend distribution in cents per Share

Euro Accumulation Shares						
Group 1	1.5697	0.1570	1.4127	0.0000	1.4127	0.4067
Group 2	0.8861	0.0886	0.7975	0.6152	1.4127	0.4067

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital losses

	30/06/2015	30/06/2014
	£	£
The net capital losses on investments during the year comprise:		
Losses on non-derivative securities	(8,727,730)	(36,492,329)
Currency exchange (losses)/gains	(160,167)	85,318
Activity charges	(57,121)	(17,735)
Net capital losses	(8,945,018)	(36,424,746)

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	241	39,586
Overseas dividends	9,367,980	10,518,241
Stock lending	26,532	44,305
UK dividends	1,040,895	2,000,155
Total revenue	10,435,648	12,602,287

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	4,761,808	6,198,311
Administration fees	271,587	360,718
Registrar's disbursement fees	23,425	10,833
Safe custody charges	194,051	218,773
	5,250,871	6,788,635
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	37,798	43,854
Distribution reconciliation service	-	257
	37,798	44,111
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	10,265	7,980
- Non-audit services (tax compliance fee)†	-	2,940
Financial Conduct Authority fee	288	277
Expenses associated with making tax reclaims	6,814	-
	17,367	11,197
Total expenses	5,306,036	6,843,943

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,750 (2014: £6,650) and £nil (2014: £2,450) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	90,944	851,235
Prior year adjustment	-	22,894
Total current tax charge (see note 4b)	<u>90,944</u>	<u>874,129</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>5,128,655</u>	<u>5,758,344</u>
Corporation tax @ 20%	1,025,731	1,151,669
Effects of:		
Dividends not subject to corporation tax	(2,074,327)	(2,503,679)
Excess management expenses	1,048,596	1,352,010
Overseas tax withheld	90,944	851,235
Prior year adjustment	-	22,894
Total current tax charge (see note 4a)	<u>90,944</u>	<u>874,129</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £56,958,862 (30/06/14: £51,715,882), as it is unlikely that there will be sufficient taxable profits in future periods to utilise these expenses. The deferred tax asset not recognised is £11,391,772 (30/06/14: £10,343,176).

5 Finance costs

Distributions

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

	30/06/2015 £	30/06/2014 £
Final dividend 30 June - Sterling Income Shares	1,599,068	1,597,237
Final dividend 30 June - Euro Accumulation Shares	23,443	9,343
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	36,070	57,811
Final dividend 30 June - Institutional Shares (Net Accumulation)	1,641,685	1,497,841
Final dividend 30 June - X Shares (Net Accumulation)	-	152,840
Final dividend 30 June - P Shares (Net Income)	211	166
Final dividend 30 June - Institutional Shares W (Net Income)	803,774	405,230
Final dividend 30 June - Institutional Shares W (Net Accumulation)	270,853	182,355
Final dividend 30 June - Retail Advised Shares B (Net Income)	100,739	198,517
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	81	61
	<u>4,475,924</u>	<u>4,101,401</u>
Amounts added on issue of shares	(15,835)	(100,575)
Amounts deducted on cancellation of shares	697,839	964,897
Net distributions for the year	<u>5,157,928</u>	<u>4,965,723</u>
Interest	957	-
Total finance costs	<u>5,158,885</u>	<u>4,965,723</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	5,037,711	4,884,215
Equalisation on conversions	120,119	81,475
Undistributed revenue brought forward	98	131
Undistributed revenue carried forward	-	(98)
	<u>5,157,928</u>	<u>4,965,723</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	1,339,085	1,108,726
Amount receivable for issue of shares	9,444	13,304
Amounts receivable on open currency contracts	1,736,944	-
Sales awaiting settlement	1,847,404	3,336,281
	<u>4,932,877</u>	<u>4,458,311</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	2,038,973	4,873,049
Cash held in BNY Mellon Sterling Liquidity Fund	2,582,993	642,297
	<u>4,621,966</u>	<u>5,515,346</u>
Overdrawn cash and bank balances		
Bank overdraft	(14,684)	-
	<u>(14,684)</u>	<u>-</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	414,326	518,798
Amount payable for cancellation of shares	792,709	1,007,554
Amounts payable on open currency contracts	1,733,955	-
Purchases awaiting settlement	-	1,664,384
	<u>2,940,990</u>	<u>3,190,736</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £1,188,889. (30/06/14: £1,501,078).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	4,096,720	617,093	4,713,813	40,335,065
Australia	50,930,282	166,015	51,096,297	89,485,931
China	37,591,905	1,658,086	39,249,991	-
Europe	-	358	358	(40)
Hong Kong	43,230,524	(1,288,248)	41,942,276	68,382,616
India	48,051,798	592,264	48,644,062	43,288,093
Indonesia	8,390,872	70,974	8,461,846	13,477,984
Malaysia	10,206,276	-	10,206,276	15,485,518
New Zealand	7,919,809	-	7,919,809	8,136,160
Philippines	41,195,133	(13,939)	41,181,194	43,298,882
Singapore	2,174,816	-	2,174,816	36,573,066
South Korea	7,744,996	1,602	7,746,598	8,211,228
Taiwan	18,176,235	2,098,517	20,274,752	30,215,507
Thailand	20,210,899	192,655	20,403,554	17,556,211
United States of America	2,805,653	-	2,805,653	-
Total	302,725,918	4,095,377	306,821,295	414,446,221

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	100,347,094	62,698,708
Commissions	121,452	121,901
Taxes	36,183	7,295
Total purchase costs	157,635	129,196
Gross purchases total	100,504,729	62,827,904
Analysis of total sales proceeds:		
Sales before transaction costs	200,377,643	178,490,540
Commissions	(308,285)	(254,290)
Taxes	(222,291)	(162,322)
Total sales costs	(530,576)	(416,612)
Total sales net of transaction costs	199,847,067	178,073,928

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £12,382,347 of investments was subject to stock lending agreements and the Fund held £14,195,809 in collateral. The collateral is held in equity securities.

As at 30 June 2014, £2,449,335 of investments was subject to stock lending agreements and the Fund held £2,593,492 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £33,165 (30/06/14: £55,381) and £6,633 (30/06/14: £11,076) respectively.

15 Shareholders' funds

The Fund currently has nine share classes; Sterling Income Shares, Euro Accumulation Shares, Exempt Shares 1 (Net Accumulation), Institutional Shares (Net Accumulation), P Shares (Net Income), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Euro Accumulation Shares	2.00%	0.10%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Institutional Shares (Net Accumulation)	1.00%	0.03%
P Shares (Net Income)	1.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 576 to 577. The distribution is given in the distribution statement on page 582. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON REAL RETURN FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£9,519.14m
Performance Reference:	(1 month GBP LIBOR) + 4%
Sector:	The Investment Association Targeted Absolute Return
Yield as at 30 June 2015:	

Sterling Income Shares	2.28%
Sterling Income A Shares	2.29%
Exempt Shares 2 (Net Accumulation)	2.35%
X Shares (Net Accumulation)	2.35%
Institutional Shares (Accumulation)	2.35%
X Shares (Net Income)	2.36%
Exempt Shares 2 (Net Income)	2.36%
Exempt Shares 1 (Net Accumulation)	2.35%
Institutional Shares W (Net Income)	2.36%
Institutional Shares W (Net Accumulation)	2.35%
Retail Advised Shares B (Net Income)	2.30%
Retail Advised Shares B (Net Accumulation)	2.30%
P Shares (Net Accumulation)	2.35%
U Shares (Accumulation)	n/a
U Shares (Income)	n/a

Key Dates: Fund Launch 01 September 1993

Investment Objective

The objective of the Fund is to achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities. The Fund is managed to seek a minimum return of cash (1 month GBP LIBOR) + 4% per annum over 5 years before fees. In so doing we aim to achieve a positive return on a rolling 3 year basis. However, a positive return is not guaranteed and a capital loss may occur.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	1.83%	5.08%	4.73%	-0.63%	11.26%
Sterling Income A Shares	1.42%	4.66%	4.31%	-1.03%	10.81%
Exempt Shares 2 (Net Accumulation)	2.08%	5.35%	5.00%	-0.37%	11.55%
X Shares (Net Accumulation)	2.69%	5.98%	5.63%	0.23%	12.22%
Institutional Shares (Accumulation)	1.89%	5.14%	4.79%	-0.56%	11.30%
X Shares (Net Income)	2.68%	5.98%	5.63%	0.22%	12.21%
Exempt Shares 2 (Net Income)	2.08%	5.35%	5.00%	-0.38%	11.54%
Exempt Shares 1 (Net Accumulation)*	2.16%	5.43%	5.09%	n/a	n/a
Institutional Shares W (Net Income)*	2.08%	5.34%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	2.07%	5.34%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	1.82%	5.07%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	1.82%	5.08%	n/a	n/a	n/a
P Shares (Net Accumulation)*	1.87%	5.18%	n/a	n/a	n/a
U Shares (Accumulation)*	n/a	n/a	n/a	n/a	n/a
U Shares (Income)*	n/a	n/a	n/a	n/a	n/a
Libor GBP 1 month +4%	4.51%	4.49%	4.51%	4.70%	4.60%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income A Share Class of the Fund returned 1.42% against a return of 4.51% from LIBOR GBP 1 Month +400 Bps. (per annum over rolling three- to five-year periods, before fees are deducted).

The Fund's equity exposure contributed positively to returns, with the largest contributions coming from Accenture (technology outsourcing), Novartis (pharmaceuticals) and Reynolds (tobacco). Other positive contributors included Vodafone Group (mobile telephony), Microsoft (software) and Abbott Laboratories (pharmaceuticals). The largest detractors in the equity portfolio included Eversource Energy (power generation) and SoftBank (telecommunications). Exposure to mining stocks was also detrimental, as the prices of precious metals declined. In this regard, detractors included Silver Wheaton, Eldorado Gold, Barrick Gold and Yamana Gold. The decision to switch some of the Fund's gold-mining equity exposure into physical gold in October 2014 mitigated the impact somewhat. Oil & gas holdings Total and Royal Dutch Shell also detracted from returns as the oil price fell.

Positions in sovereign bonds – debt issued by governments – proved beneficial as developed-market government bond yields reached new historic lows in many jurisdictions. Strong positive contributions came from the Fund's holdings in Australian and US government bonds. The Fund also benefited from a decision to sell out of shorter dated bonds in favour of longer dated fixed-income investments.

Purchases in the equity portfolio included a position in pharmacy-benefit manager Express Scripts, which the manager believes should benefit from pressures to reduce healthcare costs. Telefonica Deutschland was also added, benefiting from the repair of the market in Germany, consolidating the number three and four mobile operators. Additionally, the Fund purchased German software firm SAP and French media group Vivendi. Elsewhere, equity holdings were reduced. Exposure to shorter dated US Treasury bonds was cut during the review period in favour of longer dated bonds, as the manager is concerned expectations of interest increases could cause significant volatility in shorter dated bonds even if interest rates do not increase on any meaningful scale. The Fund also sold its exposure to Norwegian government debt and reinvested proceeds in Australian government debt. In November, the Fund's derivatives exposure was adjusted to allow more participation in the market's upside.

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

Purchases

Treasury 4.75% Stock 7/9/2015
 Treasury 2.75% Stock 22/1/2015
 US Treasury 2% Notes 30/9/2020
 US Treasury 2.375% Notes 15/8/2024
 US Treasury 1.5% Notes 31/8/2018
 Treasury 0% Notes 7/12/2015
 US Treasury 2.875% Bonds 15/5/2043
 Vivendi
 Australia (Commonwealth) 3.75% Bonds 21/4/2037
 ETFS Physical Gold

Sales

Treasury 5% Stock 7/9/2014
 Treasury 2.75% Stock 22/1/2015
 US Treasury 2% Notes 30/9/2020
 US Treasury 1.5% Notes 31/8/2018
 US Treasury 2.375% Notes 15/8/2024
 US Treasury 2.875% Bonds 15/5/2043
 GlaxoSmithKline
 Total
 Norway 4.5% Bonds 22/5/2019
 Norway 3.75% Bonds 25/5/2021

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	296.55	266.80	8.7503
2012	288.82	272.85	8.5460
2013	299.87	278.75	8.2973
2014	292.46	279.51	7.3316
2015	301.58	285.14	3.8051
Sterling Income A Shares	Pence	Pence	Pence
2011	122.63	110.19	3.7302
2012	118.61	112.28	3.6313
2013	122.77	114.30	3.4249
2014	119.18	113.75	3.0001
2015	122.49	115.94	1.5469
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	204.12	187.30	6.0773
2012	209.40	194.13	6.1422
2013	220.55	204.82	6.2727
2014	225.47	214.78	5.7476
2015	235.40	222.42	3.1181
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	162.62	149.39	4.6077
2012	168.17	155.55	4.6820
2013	177.80	164.74	4.9928
2014	183.46	173.87	4.6566
2015	191.94	181.06	2.5476
Institutional Shares (Accumulation)	Pence	Pence	Pence
2011	130.05	119.30	3.9301
2012	133.06	123.46	3.9696
2013	139.98	130.09	3.9926
2014	142.66	136.13	3.6491
2015	148.85	140.71	1.9538
X Shares (Net Income)	Pence	Pence	Pence
2011	127.26	114.77	3.5816
2012	125.66	118.24	3.5327
2013	131.28	121.63	3.6599
2014	129.32	123.79	3.3152
2015	134.08	126.48	1.7812
Exempt Shares 2 (Net Income)	Pence	Pence	Pence
2011	195.04	175.56	5.7607
2012	190.60	179.89	5.6505
2013	198.21	184.07	5.5822
2014	193.75	185.26	4.9833
2015	200.07	189.05	2.6503
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2012 (from 29 February)	103.83	96.22	2.6852
2013	109.41	101.58	3.1142
2014	111.99	106.60	2.8593
2015	116.95	110.48	1.5519

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 25 June)	105.32	100.00	1.3674
2013 (to 23 September)	109.36	101.64	1.9181
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 5 September)	101.52	98.05	1.2850
2013	105.56	98.03	3.0126
2014	103.14	98.61	2.6612
2015	106.49	100.62	1.4103
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 September)	101.52	98.05	1.2861
2013	106.95	99.33	3.0681
2014	109.33	104.15	2.7958
2015	114.14	107.85	1.5113
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 8 October)	100.00	96.56	1.2540
2013	103.84	96.53	2.8986
2014	101.24	96.74	2.5550
2015	104.38	98.69	1.3372
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 8 October)	100.00	96.56	1.2518
2013	105.19	97.78	2.9962
2014	107.10	102.25	2.6893
2015	111.72	105.63	1.4461
P Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 October)	100.00	96.56	0.5416
2013	105.22	97.78	2.2658
2014	107.28	102.37	2.7402
2015	111.93	105.81	1.4757
U Shares (Accumulation)	Pence	Pence	Pence
2015 (from 8 January)	104.64	100.00	1.3858
U Shares (Income)	Pence	Pence	Pence
2015 (from 8 January)	104.66	100.00	1.3896

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	406,324,379	280.78	144,713,681
30/06/2014	252,885,892	285.99	88,424,267
30/06/2015	105,084,106	284.31	36,961,032
Sterling Income A Shares		Pence	
30/06/2013	1,171,159,525	114.87	1,019,539,619
30/06/2014	774,761,686	116.54	664,807,702
30/06/2015	522,007,677	115.36	452,487,113

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	2,992,005,249	210.38	1,422,182,266
30/06/2014	3,834,222,585	220.83	1,736,259,256
30/06/2015	4,027,101,859	224.98	1,789,979,004
X Shares (Net Accumulation)		Pence	
30/06/2013	2,053,558,673	169.71	1,210,038,073
30/06/2014	2,114,055,143	179.21	1,179,630,702
30/06/2015	2,343,171,717	183.67	1,275,736,696
Institutional Shares (Accumulation)		Pence	
30/06/2013	249,864,787	133.49	187,173,090
30/06/2014	321,453,659	139.85	229,861,806
30/06/2015	193,229,516	142.20	135,887,415
X Shares (Net Income)		Pence	
30/06/2013	187,101,194	123.05	152,047,515
30/06/2014	262,990,265	126.32	208,192,243
30/06/2015	228,167,530	126.52	180,335,095
Exempt Shares 2 (Net Income)		Pence	
30/06/2013	505,205,491	185.61	272,193,557
30/06/2014	474,947,336	189.39	250,778,853
30/06/2015	373,295,446	188.57	197,963,086
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	108,495,563	104.37	103,952,685
30/06/2014	241,625,105	109.64	220,375,750
30/06/2015	491,941,864	111.79	440,074,245
P Shares (Net Income)**		Pence	
30/06/2013	2,425,317	102.38	2,369,033
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)		Pence	
30/06/2013	102,837,270	98.83	104,057,514
30/06/2014	515,532,235	100.81	511,402,086
30/06/2015	658,635,104	100.36	656,257,470
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	66,011,857	102.02	64,707,131
30/06/2014	272,201,812	107.08	254,194,455
30/06/2015	516,365,116	109.08	473,366,194
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	2,468,593	97.21	2,539,532
30/06/2014	3,073,358	98.99	3,104,832
30/06/2015	1,932,275	98.38	1,964,173
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	1,313,961	100.31	1,309,943
30/06/2014	4,142,960	105.02	3,944,926
30/06/2015	5,213,073	106.71	4,885,067

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
P Shares (Net Accumulation)		Pence	
30/06/2013	2,363,676	100.34	2,355,630
30/06/2014	25,937	105.17	24,662
30/06/2015	26,370	106.93	24,662
U Shares (Accumulation)			
30/06/2015	2,291,120	100.02	2,290,589
U Shares (Income)			
30/06/2015	50,677,936	98.65	51,371,495

Ongoing Charges

Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.10	1.11
Sterling Income A Shares	1.61	1.61
Exempt Shares 2 (Net Accumulation)	0.79	0.79
X Shares (Net Accumulation)	0.04	0.04
Institutional Shares (Accumulation)	1.04	1.04
X Shares (Net Income)	0.04	0.04
Exempt Shares 2 (Net Income)	0.79	0.79
Exempt Shares 1 (Net Accumulation)	0.69	0.69
Institutional Shares W (Net Income)	0.79	0.79
Institutional Shares W (Net Accumulation)	0.79	0.79
Retail Advised Shares B (Net Income)	1.11	1.11
Retail Advised Shares B (Net Accumulation)	1.11	1.11
P Shares (Net Accumulation)	1.04	1.04
U Shares (Accumulation)*	0.69	n/a
U Shares (Income)*	0.69	n/a

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

*The Ongoing Charges figure has been annualised as the share classes launched during the period.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
UK Government Bonds 12.65% (9.44%)			
Treasury 0% Notes 7/12/2015	£262,046,000	261,440,674	2.75
Treasury 4.75% Stock 7/9/2015	£935,731,387	942,632,406	9.90
Overseas Government Bonds 12.20% (11.71%)			
Australia (Commonwealth) 3.75% Bonds 21/4/2037	AUD350,795,000	173,888,852	1.83
Australia (Commonwealth) 4.5% Bonds 21/4/2033	AUD365,170,000	201,999,937	2.12
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD164,494,000	92,917,967	0.98
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD98,836,500	69,447,349	0.73
New Zealand (Government) 2% Notes 20/9/2025	NZD80,477,000	35,307,950	0.37
New Zealand (Government) 4.5% Notes 15/4/2027	NZD185,202,000	86,194,219	0.91
New Zealand (Government) 6% Notes 15/5/2021	NZD132,418,000	65,624,891	0.69
Queensland Treasury 5.75% Guaranteed Senior Bonds 22/7/2024	AUD65,407,000	37,442,327	0.39
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD113,264,000	65,903,131	0.69
US Treasury 1.5% Notes 31/8/2018	USD516,612,600	332,619,457	3.49
Sterling Denominated Corporate Bonds 2.86% (1.32%)			
AA Bond 9.5% Bonds 31/7/2043	£43,982,000	47,916,630	0.50
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£6,386,000	11,730,571	0.12
Anglian Water Services Financing 3.666% Index Linked Bonds 30/7/2024	£1,895,000	3,494,645	0.04
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2020	£10,347,000	11,370,939	0.12
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£8,392,000	15,937,163	0.17
Centrica 5.25% Subordinated European Medium Term Notes 10/4/2075	£29,589,000	28,859,039	0.30
Dwr Cymru Financing 1.859% European Medium Term Notes 31/3/2048	£17,950,000	28,660,280	0.30
High Speed Rail Finance 1 1.566% Senior European Medium Term Notes 1/11/2038	£3,815,000	4,922,362	0.05
National Grid 2.983% Senior Index Linked Bonds 8/7/2018	£11,395,000	18,206,133	0.19
National Grid Gas 4.1875% Bonds 14/12/22	£7,373,000	14,584,163	0.15
Network Rail Infrastructure Finance 1.75% European Medium Term Notes 22/11/2027	£5,800,000	9,401,468	0.10
Scotland Gas Networks 2.127% European Medium Term Notes 21/10/2022	£6,500,000	9,760,010	0.10
Tesco 4% European Medium Term Bonds 8/9/2016	£12,915,000	20,443,024	0.22
Tesco 6.125% Guaranteed Senior European Medium Term Bonds 24/2/2022	£12,662,000	13,690,661	0.14
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£35,380,789	33,705,509	0.36
Non-Sterling Denominated Corporate Bonds 1.91% (1.36%)			
Altice 6.25% Bonds 15/2/2025	EUR38,901,000	26,113,140	0.27
Altice 7.25% Senior Notes 15/5/2022	EUR12,256,000	8,748,084	0.09
Numericable-SFR 5.625% Bonds 15/5/2024	EUR15,805,000	11,295,284	0.12
Petrobras Global Finance 6.75% Bonds 27/1/2041	USD31,837,000	17,727,867	0.19
Petrobras International 7.875% Bonds 15/3/2019	USD31,655,000	21,379,956	0.22
Sprint 7.125% Bonds 15/6/2024	USD28,611,000	16,875,160	0.18
Sprint 7.875% Senior Notes 15/9/2023	USD64,784,000	40,175,390	0.42
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD64,512,000	39,891,855	0.42
United Kingdom 9.33% (13.22%)			
BAE Systems	16,101,060	72,647,983	0.76
British American Tobacco	3,346,592	114,269,384	1.20
Centrica	73,691,980	194,399,443	2.04
Fresnillo	1,656,068	11,484,832	0.12
GlaxoSmithKline	7,369,078	97,456,057	1.02
Randgold Resources	280,089	12,001,814	0.13
Renewables Infrastructure	23,477,514	24,944,859	0.26
Royal Dutch Shell class 'B' shares	6,132,966	110,822,696	1.17
United Utilities	11,714,669	104,494,847	1.10
Vodafone	42,305,155	97,238,399	1.02
Wolseley	1,188,448	48,286,642	0.51

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Investment Trusts 4.20% (3.57%)			
Aviva Investors Global Convertibles Fund	912,890	104,449,634	1.10
Bilfinger Berger Global	21,163,423	25,978,102	0.27
Bluefield Solar Income Fund	23,502,208	25,617,407	0.27
Foresight Solar Fund	18,817,181	19,616,911	0.20
Greencoat UK Wind	19,416,474	21,552,286	0.23
HICL Infrastructure	32,075,890	49,396,871	0.52
International Public Partnership	23,433,662	31,799,479	0.33
John Laing Infrastructure Fund	38,967,015	47,422,857	0.50
NB Global Floating Rate Income Fund	76,422,226	74,397,037	0.78
Collective Investment Schemes 1.18% (1.18%)			
RWC Global Convertibles Fund	146,224	112,319,762	1.18
Commodities 4.41% (2.84%)			
ETFS Physical Gold	3,748,264	270,698,687	2.84
iShares Physical Gold ETC	1,584,116	23,345,742	0.25
Source Physical Gold P-ETC	1,721,871	126,017,265	1.32
Canada 1.81% (3.01%)			
Agnico Eagle Mines	634,548	11,456,735	0.12
Alacer Gold	494,373	732,703	0.01
AuRico Gold	5,437,486	9,858,896	0.10
Centerra Gold	549,507	1,984,265	0.02
Detour Gold	1,763,144	12,868,091	0.14
Eldorado Gold	10,536,208	27,689,441	0.29
IAMGOLD	9,481,189	12,072,104	0.13
New Gold	6,247,860	10,659,977	0.11
Oceana Gold	360,689	562,127	0.01
Primero Mining	3,240,725	8,005,050	0.08
Silver Wheaton	5,270,579	57,981,872	0.61
Yamana Gold	9,520,306	18,134,378	0.19
United States of America 14.91% (13.97%)			
Abbott Laboratories	3,348,381	104,494,525	1.10
Accenture	3,032,529	186,575,638	1.96
Barrick Gold	6,941,431	47,094,213	0.50
CA	5,184,068	96,515,236	1.01
CMS Energy	3,116,188	63,108,404	0.66
Dun & Bradstreet	630,888	48,944,265	0.51
Eversource Energy	3,697,733	106,744,502	1.12
Express Scripts	880,615	49,800,914	0.52
Merck & Co	2,731,895	98,839,464	1.04
Microsoft	7,862,483	220,721,450	2.32
Reynolds American	2,448,438	116,186,767	1.22
Sprint	23,926,239	69,221,331	0.73
Sysco	4,718,121	108,240,482	1.14
Trimble Navigation	2,750,743	41,015,402	0.43
Willis	2,083,593	62,082,513	0.65
Australia 1.68% (2.10%)			
Dexus Property	28,872,002	103,003,428	1.08
Newcrest Mining	9,016,511	57,372,189	0.60
New Zealand 0.71% (0.95%)			
Spark New Zealand	55,945,656	67,242,086	0.71

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Japan 3.68% (3.15%)			
Japan Tobacco	9,110,200	206,093,040	2.17
Softbank	3,843,300	143,791,644	1.51
South Africa 0.01% (0.92%)			
Gold Fields	552,248	1,114,676	0.01
Denmark 0.77% (1.26%)			
TDC	15,795,217	73,608,108	0.77
Finland 0.39% (0.46%)			
Nokia	8,526,276	36,787,121	0.39
France 3.82% (4.44%)			
Sanofi	2,531,717	158,270,427	1.66
Vivendi	12,813,352	205,385,823	2.16
Germany 3.55% (3.47%)			
Bayer (Regd.)	1,863,456	166,278,628	1.74
Brenntag	2,231,476	81,607,362	0.86
Rocket Internet	432,655	12,171,966	0.13
SAP	875,586	38,912,866	0.41
Telefonica Deutschland	10,723,733	39,362,140	0.41
Israel 0.30% (0.17%)			
Bank Hapoalim	8,235,973	28,222,074	0.30
Netherlands 3.38% (2.91%)			
Reed Elsevier	7,863,861	118,528,971	1.25
Wolters Kluwer	10,765,720	203,225,370	2.13
Sweden 0.99% (2.98%)			
TeliaSonera	25,225,725	94,333,933	0.99
Switzerland 4.02% (4.79%)			
Novartis	2,925,039	183,387,089	1.93
Roche	1,116,032	198,938,892	2.09
Derivatives 2.45% (0.39%)			
Futures 0.36% (0.00%)			
FTSE 100 Index Future Expires September 2015	£10	8,877,330	0.09
S&P 500 Future Expires September 2015	USD250	25,745,665	0.27
Options 0.20% (-0.20%)			
Euro Stoxx 50 Index September 2015 3050 (Put Option)	EUR(8,287)	(3,299,535)	(0.03)
Euro Stoxx 50 Index September 2015 3400 (Put Option)	EUR8,287	9,047,302	0.09
FTSE 100 Index September 2015 6300 (Put Option)	£(7,529)	(9,862,990)	(0.10)
FTSE 100 Index September 2015 6700 (Put Option)	£7,529	22,699,935	0.24
AUD Forward Foreign Currency Contracts 0.58% (-0.01%)			
Forward Foreign Currency Contracts 14/08/15	AUD9,952,889	9,952,889	0.10
Forward Foreign Currency Contracts 14/08/15	£(19,516,978)	(9,517,659)	(0.10)
Forward Foreign Currency Contracts 14/08/15	AUD921,058,859	921,058,859	9.68
Forward Foreign Currency Contracts 14/08/15	£(1,776,271,221)	(866,217,237)	(9.10)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
CAD Forward Foreign Currency Contracts 0.11% (-0.03%)			
Forward Foreign Currency Contracts 14/08/15	CAD35,192,247	35,192,247	0.37
Forward Foreign Currency Contracts 14/08/15	£(67,274,779)	(34,253,795)	(0.36)
Forward Foreign Currency Contracts 14/08/15	CAD4,688,259	4,688,259	0.05
Forward Foreign Currency Contracts 14/08/15	£(9,010,374)	(4,587,745)	(0.05)
Forward Foreign Currency Contracts 14/08/15	CAD156,980,536	156,980,536	1.65
Forward Foreign Currency Contracts 14/08/15	£(288,954,765)	(147,124,934)	(1.55)
CHF Forward Foreign Currency Contracts -0.05% (0.00%)			
Forward Foreign Currency Contracts 11/09/15	CHF257,817,414	175,994,339	1.85
Forward Foreign Currency Contracts 11/09/15	£(180,640,610)	(180,640,610)	(1.90)
EUR Forward Foreign Currency Contracts 0.18% (0.46%)			
Forward Foreign Currency Contracts 15/07/15	EUR25,782,517	18,270,951	0.19
Forward Foreign Currency Contracts 15/07/15	£(18,791,422)	(18,791,422)	(0.20)
Forward Foreign Currency Contracts 15/07/15	EUR42,071,875	29,814,512	0.31
Forward Foreign Currency Contracts 15/07/15	£(30,191,795)	(30,191,795)	(0.32)
Forward Foreign Currency Contracts 15/07/15	EUR13,527,881	9,586,622	0.10
Forward Foreign Currency Contracts 15/07/15	£(9,776,012)	(9,776,012)	(0.10)
Forward Foreign Currency Contracts 15/07/15	EUR9,470,111	9,470,111	0.10
Forward Foreign Currency Contracts 15/07/15	£(13,181,436)	(9,341,112)	(0.10)
Forward Foreign Currency Contracts 15/07/15	EUR871,044,354	871,044,354	9.15
Forward Foreign Currency Contracts 15/07/15	£(1,203,779,972)	(853,066,624)	(8.96)
Forward Foreign Currency Contracts 15/07/15	EUR25,098,506	25,098,506	0.26
Forward Foreign Currency Contracts 15/07/15	£(34,876,189)	(24,715,242)	(0.26)
Forward Foreign Currency Contracts 15/07/15	EUR8,048,962	8,048,962	0.09
Forward Foreign Currency Contracts 15/07/15	£(11,283,578)	(7,996,182)	(0.08)
ILS Forward Foreign Currency Contracts 0.00% (0.00%)			
Forward Foreign Currency Contracts 14/08/15	ILS30,766,291	30,766,291	0.32
Forward Foreign Currency Contracts 14/08/15	£(180,542,746)	(30,444,483)	(0.32)
NOK Forward Foreign Currency Contracts -0.14% (0.00%)			
Forward Foreign Currency Contracts 14/08/15	NOK2,317,652,463	187,176,290	1.97
Forward Foreign Currency Contracts 14/08/15	£(200,527,998)	(200,527,998)	(2.11)
NZD Forward Foreign Currency Contracts 0.26% (0.00%)			
Forward Foreign Currency Contracts 14/08/15	NZD191,389,299	191,389,299	2.01
Forward Foreign Currency Contracts 14/08/15	£(389,148,034)	(166,746,664)	(1.75)
USD Forward Foreign Currency Contracts 0.92% (0.04%)			
Forward Foreign Currency Contracts 14/08/15	USD132,430,998	132,430,998	1.39
Forward Foreign Currency Contracts 14/08/15	£(205,393,028)	(130,639,415)	(1.37)
Forward Foreign Currency Contracts 14/08/15	USD21,536,006	21,536,006	0.23
Forward Foreign Currency Contracts 14/08/15	£(33,865,152)	(21,539,795)	(0.23)
Forward Foreign Currency Contracts 14/08/15	USD81,514,416	81,514,416	0.86
Forward Foreign Currency Contracts 14/08/15	£(126,920,934)	(80,727,553)	(0.85)
Forward Foreign Currency Contracts 14/08/15	USD2,659,375,323	2,659,375,323	27.94
Forward Foreign Currency Contracts 14/08/15	£(4,023,289,144)	(2,558,996,996)	(26.88)

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Derivatives (continued)			
USD Forward Foreign Currency Contracts (continued)			
Forward Foreign Currency Contracts 14/08/15	USD227,808,595	144,896,747	1.53
Forward Foreign Currency Contracts 14/08/15	£(147,056,641)	(147,056,641)	(1.54)
Forward Foreign Currency Contracts 14/08/15	USD1,146,226,254	729,052,632	7.66
Forward Foreign Currency Contracts 14/08/15	£(741,869,588)	(741,869,588)	(7.79)
Portfolio of investments*		8,681,973,421	91.21
Net current assets		837,167,288	8.79
Total Net Assets		9,519,140,709	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Norway portfolio category, which, at 30 June 2014, represented 0.57% respectively of the Total Net Assets of the Fund.

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

*Net of investment liabilities

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		19,500,366		213,314,261
Revenue	2	244,305,820		281,216,649	
Expenses	3	(62,943,227)		(59,871,732)	
Finance costs: Interest	5	<u>(1,793)</u>		<u>(2,554)</u>	
Net revenue before taxation		181,360,800		221,342,363	
Taxation	4	<u>(11,883,402)</u>		<u>(17,714,482)</u>	
Net revenue after taxation			<u>169,477,398</u>		<u>203,627,881</u>
Total return before distributions			188,977,764		416,942,142
Finance costs: Distributions	5		(216,679,440)		(246,646,377)
Change in net assets attributable to Shareholders from investment activities			<u>(27,701,676)</u>		<u>170,295,765</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		9,071,917,973		7,851,135,535
Amounts receivable on issue of shares	1,380,093,643		1,998,954,762	
Amounts payable on cancellation of shares	<u>(1,077,706,452)</u>		<u>(1,132,290,341)</u>	
		302,387,191		866,664,421
Dilution adjustment		(5,962)		-
Stamp Duty Reserve Tax				(988,853)
Change in net assets attributable to Shareholders from investment activities (see above)		(27,701,676)		170,295,765
Retained distributions on accumulation shares		172,542,604		184,809,754
Unclaimed distributions		579		1,351
Closing net assets attributable to Shareholders		<u>9,519,140,709</u>		<u>9,071,917,973</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
ASSETS				
Investment assets*			8,729,201,708	8,261,286,410
Debtors	7	82,281,229	232,733,742	
Cash and bank balances	8	<u>833,123,487</u>	<u>756,694,079</u>	
Total other assets			<u>915,404,716</u>	<u>989,427,821</u>
Total assets			9,644,606,424	9,250,714,231
LIABILITIES				
Investment liabilities			(47,228,287)	(80,058,902)
Creditors	9	(51,377,596)	(59,774,248)	
Distribution payable on income shares		(26,859,832)	<u>(38,963,108)</u>	
Total other liabilities			<u>(78,237,428)</u>	<u>(98,737,356)</u>
Total liabilities			(125,465,715)	(178,796,258)
Net assets attributable to Shareholders			<u>9,519,140,709</u>	<u>9,071,917,973</u>

*Gross of investment liabilities

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	4.2279	0.4228	3.8051	0.0000	3.8051	4.8035
Group 2	2.9198	0.2920	2.6278	1.1773	3.8051	4.8035
Sterling Income A Shares						
Group 1	1.7188	0.1719	1.5469	0.0000	1.5469	1.9563
Group 2	0.8916	0.0892	0.8024	0.7445	1.5469	1.9563
Exempt Shares 2 (Net Accumulation)						
Group 1	3.4646	0.3465	3.1181	0.0000	3.1181	3.7458
Group 2	2.0793	0.2079	1.8714	1.2467	3.1181	3.7458
X Shares (Net Accumulation)						
Group 1	2.8307	0.2831	2.5476	0.0000	2.5476	3.0311
Group 2	2.0464	0.2046	1.8418	0.7058	2.5476	3.0311
Institutional Shares (Accumulation)						
Group 1	2.1709	0.2171	1.9538	0.0000	1.9538	2.3750
Group 2	1.2692	0.1269	1.1423	0.8115	1.9538	2.3750
X Shares (Net Income)						
Group 1	1.9791	0.1979	1.7812	0.0000	1.7812	2.1732
Group 2	1.1138	0.1114	1.0024	0.7788	1.7812	2.1732
Exempt Shares 2 (Net Income)						
Group 1	2.9448	0.2945	2.6503	0.0000	2.6503	3.2687
Group 2	2.5960	0.2596	2.3364	0.3139	2.6503	3.2687
Exempt Shares 1 (Net Accumulation)						
Group 1	1.7243	0.1724	1.5519	0.0000	1.5519	1.8655
Group 2	0.8200	0.0820	0.7380	0.8139	1.5519	1.8655
Institutional Shares W (Net Income)						
Group 1	1.5670	0.1567	1.4103	0.0000	1.4103	1.7474
Group 2	0.8903	0.0890	0.8013	0.6090	1.4103	1.7474
Institutional Shares W (Net Accumulation)						
Group 1	1.6792	0.1679	1.5113	0.0000	1.5113	1.8244
Group 2	0.9416	0.0942	0.8474	0.6639	1.5113	1.8244
Retail Advised Shares B (Net Income)						
Group 1	1.4858	0.1486	1.3372	0.0000	1.3372	1.6791
Group 2	0.8012	0.0801	0.7211	0.6161	1.3372	1.6791
Retail Advised Shares B (Net Accumulation)						
Group 1	1.6068	0.1607	1.4461	0.0000	1.4461	1.7585
Group 2	0.6550	0.0655	0.5895	0.8566	1.4461	1.7585
P Shares (Net Accumulation)						
Group 1	1.6397	0.1640	1.4757	0.0000	1.4757	1.7812
Group 2	1.6397	0.1640	1.4757	0.0000	1.4757	1.7812

Distribution Statements (continued)**Final dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
U Shares (Accumulation)						
Group 1	1.5398	0.1540	1.3858	0.0000	1.3858	n/a
Group 2	1.0137	0.1014	0.9123	0.4735	1.3858	n/a
U Shares (Income)						
Group 1	1.5440	0.1544	1.3896	0.0000	1.3896	n/a
Group 2	0.5813	0.0581	0.5232	0.8664	1.3896	n/a

Interim dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	2.8090	0.2809	2.5281	0.0000	2.5281	3.1187
Group 2	1.6170	0.1617	1.4553	1.0728	2.5281	3.1187
Sterling Income A Shares						
Group 1	1.1598	0.1160	1.0438	0.0000	1.0438	1.2714
Group 2	0.6439	0.0644	0.5795	0.4643	1.0438	1.2714
Exempt Shares 2 (Net Accumulation)						
Group 1	2.2242	0.2224	2.0018	0.0000	2.0018	2.4183
Group 2	1.2689	0.1269	1.1420	0.8598	2.0018	2.4183
X Shares (Net Accumulation)						
Group 1	1.8061	0.1806	1.6255	0.0000	1.6255	1.9500
Group 2	0.4184	0.0418	0.3766	1.2489	1.6255	1.9500
Institutional Shares (Accumulation)						
Group 1	1.4157	0.1416	1.2741	0.0000	1.2741	1.5317
Group 2	0.8818	0.0882	0.7936	0.4805	1.2741	1.5317
X Shares (Net Income)						
Group 1	1.2689	0.1269	1.1420	0.0000	1.1420	1.4134
Group 2	0.6114	0.0611	0.5503	0.5917	1.1420	1.4134
Exempt Shares 2 (Net Income)						
Group 1	1.9051	0.1905	1.7146	0.0000	1.7146	2.1226
Group 2	1.1171	0.1117	1.0054	0.7092	1.7146	2.1226
Exempt Shares 1 (Net Accumulation)						
Group 1	1.1042	0.1104	0.9938	0.0000	0.9938	1.2031
Group 2	0.3174	0.0317	0.2857	0.7081	0.9938	1.2031
Institutional Shares W (Net Income)						
Group 1	1.0153	0.1015	0.9138	0.0000	0.9138	1.1547
Group 2	0.5782	0.0578	0.5204	0.3934	0.9138	1.1547
Institutional Shares W (Net Accumulation)						
Group 1	1.0793	0.1079	0.9714	0.0000	0.9714	1.1860
Group 2	0.6066	0.0607	0.5459	0.4255	0.9714	1.1860

Distribution Statements (continued)**Interim dividend distribution in pence per Share (continued)**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Retail Advised Shares B (Net Income)						
Group 1	0.9732	0.0973	0.8759	0.0000	0.8759	1.0871
Group 2	0.6591	0.0659	0.5932	0.2827	0.8759	1.0871
Retail Advised Shares B (Net Accumulation)						
Group 1	1.0342	0.1034	0.9308	0.0000	0.9308	1.1462
Group 2	0.6146	0.0615	0.5531	0.3777	0.9308	1.1462
P Shares (Net Accumulation)						
Group 1	1.0656	0.1066	0.9590	0.0000	0.9590	0.4183
Group 2	1.0656	0.1066	0.9590	0.0000	0.9590	0.4183
						Utilised foreign tax (pence per share)
			Franked (%)	Unfranked (%)	Utilised foreign tax (£)	
Final distributions for 30 June 2015			94.09	5.91	n/a	n/a
Interim distributions for 31 December 2014			100.00	0.00	n/a	n/a

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015	30/06/2014
	£	£
(Losses)/gains on non-derivative securities	(31,163,784)	193,015,056
Losses on derivative contracts	(196,242,965)	(305,534,478)
Gains on forward currency contracts	334,795,735	327,956,604
Currency exchange losses	(87,393,369)	(689,420)
Activity charges	(101,868)	(50,208)
Overseas transaction tax	-	(14,244)
Deferred tax on Offshore Funds	(393,383)	(1,369,049)
Net capital gains	19,500,366	213,314,261

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	1,465,274	1,095,322
Collective investment scheme distributions	-	1,495,337
Interest on debt securities	59,034,626	90,753,325
Overseas dividends	134,401,346	126,000,123
Stock lending	1,490,749	358,382
UK dividends	47,913,825	61,514,160
Total revenue	244,305,820	281,216,649

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	58,448,963	55,452,926
Administration fees	3,503,258	3,557,768
Registrar's disbursement fees	153	748
Safe custody charges	922,693	776,300
	62,875,067	59,787,742
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	404	1,361
	59,804	60,761
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	8,078	7,980
- Non-audit services (tax compliance fee)†	-	2,544
Financial Conduct Authority fee	278	286
Expenses associated with making tax reclaims	-	12,419
	8,356	23,229
Total expenses	62,943,227	59,871,732

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,750 (2014: £6,650) and £Nil (2014: £2,120) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	988,640	7,647,845
Double tax relief	(651,148)	(188,566)
	<u>337,492</u>	<u>7,459,279</u>
Overseas tax withheld	11,501,908	10,272,355
Prior year adjustment	-	341
Repayment of French withholding tax	-	(17,493)
Total current tax charge (see note 4b)	<u>11,839,400</u>	<u>17,714,482</u>
Deferred tax movement for the year (see note 4c)	44,002	-
Total tax charge	<u>11,883,402</u>	<u>17,714,482</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>181,360,800</u>	<u>221,342,363</u>
Corporation tax @ 20%	36,272,160	44,268,473
Effects of:		
Dividends not subject to corporation tax	(35,239,518)	(36,061,848)
Double tax relief	(651,148)	(188,566)
Movement in revenue accruals not taxable	(44,002)	-
Movement in revenue accruals taxable on receipt	-	(558,780)
Repayment of French withholding tax	-	(17,493)
Overseas tax withheld	11,501,908	10,272,355
Prior year adjustment	-	341
Total current tax charge (see note 4a)	<u>11,839,400</u>	<u>17,714,482</u>

c) Deferred tax

Opening deferred tax balance	-	-
Deferred tax movement for the year (see note 4a)	44,002	-
Closing deferred tax balance	<u>44,002</u>	<u>-</u>

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Sterling Income Shares	1,970,357	3,785,992
Interim dividend 31 December - Sterling Income A Shares	5,812,888	11,101,608
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	37,468,457	37,878,642
Interim dividend 31 December - X Shares (Net Accumulation)	19,675,929	25,237,651
Interim dividend 31 December - Institutional Shares (Accumulation)	2,231,311	3,045,089

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - X Shares (Net Income)	2,068,128	2,707,086
Interim dividend 31 December - Exempt Shares 2 (Net Income)	3,356,990	5,148,364
Interim dividend 31 December - Exempt Shares 1 (Net Accumulation)	4,379,546	1,613,136
Interim dividend 31 December - Institutional Shares W (Net Income)	4,891,139	3,674,383
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	3,691,792	1,928,372
Interim dividend 31 December - Retail Advised Shares B (Net Income)	28,533	32,058
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	39,928	36,513
Interim dividend 31 December - P Shares (Net Accumulation)	237	103
Final dividend 30 June - Sterling Income Shares	1,406,393	4,247,460
Final dividend 30 June - Sterling Income A Shares	6,999,423	13,005,633
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	55,812,814	65,036,799
Final dividend 30 June - X Shares (Net Accumulation)	32,501,245	35,755,786
Final dividend 30 June - Institutional Shares (Accumulation)	2,654,930	5,459,218
Final dividend 30 June - X Shares (Net Income)	3,212,191	4,524,434
Final dividend 30 June - Exempt Shares 2 (Net Income)	5,246,715	8,197,208
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	6,829,576	4,111,110
Final dividend 30 June - Institutional Shares W (Net Income)	9,255,012	8,936,240
Final dividend 30 June - Institutional Shares W (Net Accumulation)	7,154,088	4,637,524
Final dividend 30 June - Retail Advised Shares B (Net Income)	26,264	52,133
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	70,643	69,372
Final dividend 30 June - P Shares (Net Accumulation)	364	439
Final dividend 30 June - U Shares (Accumulation)	31,744	-
Final dividend 30 June - U Shares (Income)	713,834	-
	217,530,471	250,222,353
Amounts added on issue of shares	(6,324,057)	(12,156,977)
Amounts deducted on cancellation of shares	5,473,026	8,581,001
Net distributions for the year	216,679,440	246,646,377
Interest	1,793	2,554
Total finance costs	216,681,233	246,648,931

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	169,477,398	203,627,881
ACD's periodic charge less tax relief paid from capital	46,759,170	44,362,341
Deferred tax on offshore funds paid from capital	-	(1,369,049)
Equalisation on conversions	440,734	25,889
Undistributed revenue brought forward	2,138	1,453
Undistributed revenue carried forward	-	(2,138)
	216,679,440	246,646,377

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	45,581,701	46,599,909
Amount receivable for issue of shares	6,578,417	31,019,991
Amounts receivable on open currency contracts	6,476,539	-
Capital dividend accrued	-	1,948,729
Overseas tax recoverable	8,973,432	5,821,001
Sales awaiting settlement	14,671,140	147,344,112
	82,281,229	232,733,742

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	283,554,352	114,461,622
Cash held in BNY Mellon Sterling Liquidity Fund	522,136,840	131,111,082
Cash held on margin account	27,432,295	511,121,375
	833,123,487	756,694,079

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	5,510,120	5,333,714
Amount payable for cancellation of shares	21,133,572	24,597,358
Amounts payable on open currency contracts	6,505,605	-
Corporation tax payable	338,447	4,966,709
Deferred Tax liability	2,365,555	-
Purchases awaiting settlement	15,524,297	24,876,467
	51,377,596	59,774,248

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees and safe custody charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £20,056,474 (30/06/14: £1,163,696).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The table that follows details the interest rate profile of the Fund's assets at 30 June 2015

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	823,851,369	1,460,818,515	6,627,302,058	8,911,971,942	3.92	4.02
Australia	-	641,599,563	167,771,303	809,370,866	3.86	16.06
Canada	-	-	174,877,280	174,877,280		
Denmark	-	-	73,790,382	73,790,382		
Europe	-	46,156,508	1,129,001,544	1,175,158,052	6.46	8.93
Israel	-	-	28,222,074	28,222,074		
Japan	-	-	352,185,390	352,185,390		
New Zealand	-	187,127,059	68,313,642	255,440,701	4.12	9.43
Norway	-	-	187,176,290	187,176,290		
South Africa	-	-	1,870,694	1,870,694		
Sweden	-	-	94,333,933	94,333,933		
Switzerland	-	-	564,019,366	564,019,366		
Taiwan	1,602	-	-	1,602		
United States of America	25,207,680	468,669,685	2,763,014,224	3,256,891,589	3.42	5.84
	849,060,651	2,804,371,330	12,231,878,180	15,885,310,161		
Liabilities						
United Kingdom	-	-	(1,400,281,160)	(1,400,281,160)		
Australia	-	-	(875,734,896)	(875,734,896)		
Canada	-	-	(189,321,313)	(189,321,313)		
Europe	-	-	(900,941,259)	(900,941,259)		
Israel	-	-	(30,444,483)	(30,444,483)		
New Zealand	-	-	(166,746,664)	(166,746,664)		
South Africa	-	-	(1,118,087)	(1,118,087)		
United States of America	-	-	(2,801,581,590)	(2,801,581,590)		
	-	-	(6,366,169,452)	(6,366,169,452)		
Total	849,060,651	2,804,371,330	5,865,708,728	9,519,140,709		

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Interest rate risk (continued)**

The table that follows details the interest rate profile of the Fund's assets at 30 June 2014

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets/ (Liabilities) Not Carrying Interest	Total	Average Effective Interest Rate %	Weighted Average Fixed Rate Period (yrs)
	£	£	£	£		
Assets						
United Kingdom	1,221,282,579	-	6,000,591,535	7,221,874,114		
Australia	70,620,546	285,700,043	196,303,549	552,624,138	4.89	14.85
Canada	-	-	180,136,463	180,136,463		
Denmark	-	-	114,310,862	114,310,862		
Europe	-	-	1,398,892,518	1,398,892,518		
Israel	-	-	15,873,606	15,873,606		
Japan	-	-	285,885,038	285,885,038		
New Zealand	39,926,641	70,091,503	86,469,203	196,487,347	6.00	7.00
Norway	-	263,805,390	52,862,030	316,667,420	4.15	5.93
Poland	-	-	149,456	149,456		
Singapore	-	-	219,034,086	219,034,086		
South Africa	-	-	83,129,548	83,129,548		
Sweden	-	14,382,998	271,212,646	285,595,644	9.25	4.00
Switzerland	-	-	440,895,818	440,895,818		
Taiwan	1,523	-	-	1,523		
United States of America	517,450,301	435,321,260	2,162,602,697	3,115,374,258	3.07	6.12
	1,849,281,590	1,069,301,194	11,508,349,055	14,426,931,839		
Liabilities						
United Kingdom	-	-	(1,185,062,747)	(1,185,062,747)		
Australia	-	-	(431,420,493)	(431,420,493)		
Canada	-	-	(156,578,762)	(156,578,762)		
Denmark	-	-	(103,085,011)	(103,085,011)		
Europe	-	-	(1,555,341,765)	(1,555,341,765)		
Israel	-	-	(14,901,106)	(14,901,106)		
Japan	-	-	(179,573,055)	(179,573,055)		
Sweden	-	-	(242,737,779)	(242,737,779)		
Switzerland	-	-	(2,601,653)	(2,601,653)		
United States of America	-	-	(1,483,711,495)	(1,483,711,495)		
	-	-	(5,355,013,866)	(5,355,013,866)		
Total	1,849,281,590	1,069,301,194	6,153,335,189	9,071,917,973		

Notes to the Financial Statements (continued)

11 Financial instruments (continued)

Market Risk

Counterparty exposure for non-exchange traded derivatives

Counterparty	Forward Currency Contracts	Total (£)
BNY Mellon	(13,676,260)	(13,676,260)
JP Morgan	18,535,109	18,535,109
Royal Bank of Scotland	55,647,208	55,647,208
State Street Bank	(6,957,373)	(6,957,373)
UBS	125,020,963	125,020,963
	178,569,647	178,569,647

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

Collateral received from these counterparties in respect of derivative contracts was nil.

Collateral pledged to these counterparties in respect of derivative contracts was nil.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing investment or market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	6,728,760,243	782,930,539	7,511,690,782	6,036,811,367
Australia	(73,759,715)	7,395,685	(66,364,030)	121,203,645
Canada	(14,809,113)	365,080	(14,444,033)	23,557,701
Denmark	73,608,108	182,274	73,790,382	11,225,851
Europe	274,987,874	(771,081)	274,216,793	(156,449,247)
Israel	(2,222,409)	-	(2,222,409)	972,500
Japan	349,884,684	2,300,706	352,185,390	106,311,983
New Zealand	87,622,481	1,071,556	88,694,037	196,487,347
Norway	187,176,290	-	187,176,290	316,667,420
Poland	-	-	-	149,456
Singapore	-	-	-	219,034,086
South Africa	1,114,677	(362,070)	752,607	83,129,548
Sweden	94,333,933	-	94,333,933	42,857,865
Switzerland	558,320,320	5,699,046	564,019,366	438,294,165
Taiwan	-	1,602	1,602	1,523
United States of America	416,956,048	38,353,951	455,309,999	1,631,662,763
Total	8,681,973,421	837,167,288	9,519,140,709	9,071,917,973

Notes to the Financial Statements (continued)**12 Portfolio transaction costs**

	30/06/2015		30/06/2014	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		5,983,618,228		5,587,611,722
Commissions	1,349,689		2,001,986	
Taxes	<u>2,550,971</u>		<u>3,509,565</u>	
Total purchase costs		3,900,660		5,511,551
Gross purchases total		<u>5,987,518,888</u>		<u>5,593,123,273</u>
Analysis of total sales proceeds:				
Sales before transaction costs		5,460,392,656		4,488,583,355
Commissions	(1,261,877)		(1,514,853)	
Taxes	<u>(19,471)</u>		<u>(151,987)</u>	
Total sales costs		(1,281,348)		(1,666,840)
Total sales net of transaction costs		<u>5,459,111,308</u>		<u>4,486,916,515</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date. (30/06/14: nil)

14 Stock lending

As at 30 June 2015, £1,043,025,671 of investments were subject to stock lending agreements and the Fund held £1,123,238,669 in collateral. The collateral is held 31.02% in debt securities and 68.98% in equity securities.

As at 30 June 2014, £567,062,760 of investments were subject to stock lending agreements and the Fund held £587,162,134 in collateral. The collateral is held 18.14% in debt securities and 81.86% in equity securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £1,863,436 (30/06/14: £447,978) and £372,687 (30/06/14: £89,596).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has fifteen share classes; Sterling Income Shares, Sterling Income A Shares, Exempt Shares 2 (Net Accumulation), X Shares (Net Accumulation), Institutional Shares (Accumulation), X Shares (Net Income), Exempt Shares 2 (Net Income), Exempt Shares 1 (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income), Retail Advised Shares B (Net Accumulation), P Shares (Net Accumulation), U Shares (Accumulation), and U Shares (Income). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.00%	0.10%
Sterling Income A Shares	1.50%	0.10%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional Shares (Accumulation)	1.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
Exempt Shares 2 (Net Income)	0.75%	0.03%
Exempt Shares 1 (Net Accumulation)	0.65%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%
P Shares (Net Accumulation)	1.00%	0.03%
U Shares (Accumulation)	0.65%	0.03%
U Shares (Income)	0.65%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 592 to 594. The distributions are given in the distribution statements on pages 602 to 604. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – NEWTON UK EQUITY FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£993.53m
Comparative Index:	FTSE All Share TR
Sector:	The Investment Association UK All Companies

Yield as at 30 June 2015:

Sterling Income Shares	2.62%
Institutional Shares (Net Accumulation)	2.67%
Institutional Shares (Net Income)	2.68%
X Shares (Net Accumulation)	2.66%
Exempt Shares 1 (Net Accumulation)	2.66%
Exempt Shares 3 (Net Accumulation)	2.66%
Institutional Shares W (Net Income)	2.68%
Institutional Shares W (Net Accumulation)	2.66%
Retail Advised Shares B (Net Income)	2.62%
Retail Advised Shares B (Net Accumulation)	2.61%

Key Dates: Fund Launch 01 May 1985

Investment Objective

The objective of the Fund is to achieve capital growth and income from a portfolio of predominantly UK securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	14.66%	6.38%	17.89%	-4.18%	17.06%
Institutional Shares (Net Accumulation)	15.32%	7.00%	18.60%	-3.63%	17.73%
Institutional Shares (Net Income)	15.31%	6.99%	18.56%	-3.63%	17.72%
X Shares (Net Accumulation)	16.46%	8.07%	19.78%	-2.66%	18.91%
Exempt Shares 1 (Net Accumulation)*	15.89%	7.54%	19.19%	n/a	n/a
Exempt Shares 3 (Net Accumulation)*	15.78%	7.43%	19.07%	n/a	n/a
Institutional Shares W (Net Income)*	15.60%	7.26%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	15.59%	7.27%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	15.23%	6.92%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	15.24%	6.93%	n/a	n/a	n/a
FTSE All Share TR	2.60%	13.12%	17.93%	-3.13%	25.63%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Exempt 1 Net Sterling Acc Share Class of the Fund returned 14.66% against 2.60% for the FTSE All-Share Index TR.

This 12-month return significantly above the FTSE All-Share Index TR was driven by a broad number of stocks performing well and, importantly, the underweight position in the oil & gas and basic materials sectors. In particular, a number of mid-cap stocks enjoyed notably good performance. (Mid caps are shares in companies with a medium amount of share capital.) These included Playtech, the software firm, whose revenues continued to be very strong while its management made a number of attractively priced acquisitions. The holding in Domino's Pizza also contributed meaningfully, as its roll-out and unit-level sales impressing the market. The Fund also benefited from its large position in Intermediate Capital. The company's credit portfolio remains resilient, and inflows into its fund-management business continue apace.

As ever in the UK market, what one does not own is also important, because of the concentration of the benchmark. To that end, not owning (for most of the period) many of the large index constituents hurt by falling commodity prices proved helpful. Royal Dutch Shell, the second-largest stock in the index, had a very poor year as the falling oil price and its expensive acquisition of BG took their toll on its share price. The manager sold BHP Billiton, the world's largest miner, profitably at its peak in August 2014. The manager continues to be wary of commodity producers, conscious of their dependence on the unpredictable growth of China, which is already suffering from excess industrial and residential capacity.

Among the main drags on performance were positions in the utilities Centrica, National Grid and SSE. The largest single detractor was Wood Group, an engineering firm operating in the oil & gas sector where margins and volumes have come under pressure as the oil price has fallen. Owning Digital Barriers, a small-cap company producing security products, was also detrimental. Lastly, pressure on profitability in Rolls-Royce's defence and civil aerospace businesses led to weakness in its share price.

The table below shows the top ten purchases and sales for the year.

Purchases

Diageo
British American Tobacco
AstraZeneca
Reckitt Benckiser
Imperial Tobacco
National Grid
BAE Systems
Centrica
SSE
Standard Chartered

Sales

Prudential
Dixons Carphone
Rolls Royce
Ashtead
BAE Systems
Dollar General
Merlin Entertainments
Rightmove
TJX
Berkeley

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	663.75	499.89	16.6618
2012	643.11	565.72	15.5927
2013	736.80	649.78	19.5957
2014	762.22	675.68	16.8433
2015	831.83	744.80	14.3831
Exempt Shares 2 (Net Accumulation)**	Pence	Pence	Pence
2011	186.72	144.68	4.8594
2012 (to 4 September)	186.05	164.68	2.4280
** Exempt Shares 2 (Net Accumulation) class closed on 4 September 2012.			
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2011	163.97	126.96	4.2663
2012	168.72	144.43	4.1403
2013	198.19	171.11	5.3606
2014	212.98	188.59	4.7695
2015	235.55	208.84	4.1389
Institutional Shares (Net Income)	Pence	Pence	Pence
2011	672.12	507.74	17.3287
2012	657.29	575.31	16.3317
2013	754.58	664.14	20.5822
2014	786.97	696.86	17.8352
2015	860.63	769.11	15.1708
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	191.20	148.42	4.9722
2012	199.63	169.26	4.8733
2013	236.94	202.55	6.3782
2014	257.09	227.22	5.7067
2015	285.53	252.24	5.0095
X Shares (Net Income)***	Pence	Pence	Pence
2011 (from 25 May to 26 September)	190.91	151.23	0.3062
*** X Shares (Net Income) class closed on 26 September 2011			
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2012 (from 2 April)	315.26	271.86	5.5535
2013	372.24	319.79	10.0431
2014	401.96	355.61	8.9782
2015	445.50	394.28	7.8204
Exempt Shares 3 (Net Accumulation)	Pence	Pence	Pence
2012 (from 2 April)	136.72	117.97	2.4093
2013	161.27	138.68	4.3532
2014	173.98	153.94	3.8879
2015	192.74	170.64	3.3842

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 5 September)	105.31	100.48	0.5162
2013	121.02	106.42	3.3047
2014	126.72	112.16	2.8680
2015	138.73	123.87	2.4449
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 September)	105.44	100.60	0.5167
2013	124.18	109.95	3.3556
2014	133.76	118.39	2.9916
2015	148.08	131.19	2.6013
P Shares (Net Income)****	Pence	Pence	Pence
2012 (from 21 September)	102.44	97.76	0.4067
2013 (to 23 September)	117.60	103.50	1.6729
****P Shares (Net Income) share class closed 23 September 2013.			
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 9 October)	102.25	97.58	0.3550
2013	117.39	103.33	3.1258
2014	122.42	108.42	2.6980
2015	133.89	119.66	2.3136
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 9 October)	102.25	97.59	0.3549
2013	120.03	103.70	3.1676
2014	128.89	114.15	2.8144
2015	142.50	126.38	2.4626

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	1,021,808,883	676.94	150,945,329
30/06/2014	909,339,444	703.33	129,291,495
30/06/2015	823,805,083	780.73	105,517,415
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	10,044,744	181.42	5,536,793
30/06/2014	4,000,027	194.92	2,052,159
30/06/2015	4,577,870	223.52	2,048,114
Institutional Shares (Net Income)		Pence	
30/06/2013	4,204,609	693.59	606,212
30/06/2014	3,875,114	724.25	535,055
30/06/2015	1,385,186	808.01	171,431

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
X Shares (Net Accumulation)		Pence	
30/06/2013	28,727,094	215.80	13,312,159
30/06/2014	15,353,589	234.17	6,556,673
30/06/2015	19,327,135	271.19	7,126,717
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	44,032,136	339.88	12,955,178
30/06/2014	43,930,138	367.00	11,969,904
30/06/2015	33,471,358	422.94	7,914,013
Exempt Shares 3 (Net Accumulation)		Pence	
30/06/2013	6,519,710	147.32	4,425,447
30/06/2014	6,328,120	158.92	3,981,942
30/06/2015	7,285,392	182.96	3,981,942
Institutional Shares W (Net Income)		Pence	
30/06/2013	5,875,134	111.27	5,279,958
30/06/2014	41,861,960	116.48	35,938,962
30/06/2015	88,951,533	130.28	68,278,706
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	758,344	113.53	667,973
30/06/2014	6,594,856	122.28	5,393,242
30/06/2015	14,309,519	140.55	10,181,041
P Shares (Net Income)****		Pence	
30/06/2013	21,327	108.09	19,730
****P Shares (Net Income) share class closed 23 September 2013.			
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	35,769	107.92	33,145
30/06/2014	333,429	112.69	295,888
30/06/2015	397,175	125.72	315,926
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	42,742	109.91	38,889
30/06/2014	51,605	118.00	43,732
30/06/2015	20,344	135.22	15,045

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.61	1.61
Institutional Shares (Net Accumulation)	1.04	1.04
Institutional Shares (Net Income)	1.04	1.04
X Shares (Net Accumulation)	0.04	0.04
Exempt Shares 1 (Net Accumulation)	0.54	0.54
Exempt Shares 3 (Net Accumulation)	0.64	0.64
Institutional Shares W (Net Income)	0.79	0.79
Institutional Shares W (Net Accumulation)	0.79	0.79
Retail Advised Shares B (Net Income)	1.11	1.11
Retail Advised Shares B (Net Accumulation)	1.11	1.11

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 89.91% (82.64%)			
Oil & Gas Equipment, Services & Distribution 2.46% (3.61%)			
Wood (John)	3,798,708	24,482,673	2.46
Chemicals 1.23% (2.81%)			
Johnson Matthey	233,444	7,092,029	0.71
Victrex	265,268	5,114,367	0.52
Aerospace & Defence 1.09% (3.46%)			
Meggitt	2,325,531	10,846,277	1.09
Support Services 8.68% (10.25%)			
Atkins (WS)	585,819	8,875,158	0.89
Berendsen	1,023,806	10,422,345	1.05
Bunzl	967,607	16,817,010	1.69
Capita	2,934,682	36,302,016	3.66
Digital Barriers	10,034,177	3,612,304	0.36
Intertek	416,463	10,199,179	1.03
Beverages 5.31% (0.00%)			
Diageo	2,864,163	52,729,241	5.31
Food Producers 0.73% (1.04%)			
Associated British Foods	252,661	7,253,897	0.73
Household Goods & Home Construction 3.21% (1.96%)			
Reckitt Benckiser	581,295	31,889,844	3.21
Tobacco 7.50% (0.00%)			
British American Tobacco	1,277,802	43,630,549	4.39
Imperial Tobacco	1,005,862	30,839,729	3.11
Healthcare Equipment & Services 0.96% (1.92%)			
Synergy Healthcare	557,555	9,584,370	0.96
Pharmaceuticals & Biotechnology 5.68% (4.96%)			
Abcam	2,425,964	12,566,494	1.26
AstraZeneca	964,387	38,758,714	3.90
Dechra Pharmaceuticals	522,003	5,123,459	0.52
Food & Drug Retailers 1.54% (1.74%)			
Booker	9,117,652	15,345,008	1.54
General Retailers 5.56% (6.86%)			
Dixons Carphone	3,743,499	16,969,281	1.71
Just Eat	747,950	3,041,913	0.31
Next	136,037	10,127,955	1.02
Pets at Home	4,127,143	12,323,649	1.24
Sports Direct International	1,763,778	12,672,745	1.28
Media 7.97% (8.59%)			
Daily Mail & General Trust class 'A' shares	622,174	5,779,996	0.58
ITV	4,998,685	13,161,538	1.33
Moneysupermarket.com	5,753,744	16,685,858	1.68
Reed Elsevier	3,513,304	36,362,696	3.66
Rightmove	219,111	7,173,694	0.72

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Travel & Leisure 9.58% (8.95%)			
Compass	1,827,972	19,248,545	1.94
Domino's Pizza	2,662,717	20,662,684	2.08
Playtech	4,009,905	32,720,825	3.29
Whitbread	456,669	22,582,282	2.27
Fixed Line Telecommunications 0.81% (0.95%)			
Cable & Wireless	12,132,596	8,074,243	0.81
Mobile Telecommunications 3.63% (5.75%)			
Vodafone	15,710,357	36,110,256	3.63
Electricity 2.38% (0.00%)			
SSE	1,538,775	23,635,584	2.38
Gas, Water & Multiutilities 4.40% (0.00%)			
Centrica	7,928,140	20,914,433	2.10
National Grid	2,790,646	22,805,159	2.30
Banks 1.23% (0.00%)			
Standard Chartered	1,203,952	12,262,251	1.23
Nonlife Insurance 1.76% (0.00%)			
Admiral	1,263,641	17,514,064	1.76
Life Insurance 2.50% (7.98%)			
Prudential	1,621,000	24,841,825	2.50
Real Estate Investment & Services 0.63% (0.00%)			
Market Tech	2,538,228	6,218,659	0.63
Real Estate Investment Trusts 2.19% (4.11%)			
Derwent London	325,188	11,056,392	1.11
Great Portland Estates	1,374,309	10,664,638	1.08
Financial Services 5.46% (3.94%)			
Intermediate Capital	4,188,744	22,975,261	2.31
Standard Life	5,682,548	25,230,513	2.54
VPC Specialty Lending Investments	5,953,579	6,072,651	0.61
Equity Investment Instruments 0.47% (0.00%)			
P2P Global Investments Fund	441,758	4,616,371	0.47
Software & Computer Services 0.74% (0.00%)			
Sophos	3,140,721	7,349,287	0.74
Technology Hardware & Equipment 2.21% (3.76%)			
Imagination Technologies	9,925,265	21,959,649	2.21
Overseas Equities 8.96% (17.32%)			
United States of America 3.68% (11.06%)			
Discovery Communications class 'A' shares	382,001	8,076,259	0.81
Emerson Electric	138,239	4,871,371	0.49
Microsoft	343,840	9,652,531	0.97
TripAdvisor	168,295	9,324,872	0.94
Verseon	2,111,174	4,602,359	0.47

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Gibraltar 1.07% (0.00%)			
Bwin.Party Digital Entertainment	10,864,170	10,630,590	1.07
Jersey 1.25% (0.00%)			
Wolseley	305,152	12,398,326	1.25
Switzerland 2.96% (3.14%)			
Novartis	320,746	20,109,364	2.02
Zurich Financial Services	48,141	9,318,352	0.94
Portfolio of investments		982,283,584	98.87
Net current assets		11,247,011	1.13
Total Net Assets		993,530,595	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the France and Germany portfolio category, which, at 30 June 2014, represented 1.68% and 1.44% respectively of the Total Net Assets of the Fund.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	30/06/2014 £
Income				
Net capital gains	1		126,436,264	62,451,397
Revenue	2	29,692,175		32,353,357
Expenses	3	(15,404,503)		(16,807,071)
Finance costs: Interest	5	<u>(1,511)</u>	<u>(492)</u>	
Net revenue before taxation		14,286,161		15,545,794
Taxation	4	<u>(559,877)</u>	<u>(351,116)</u>	
Net revenue after taxation			<u>13,726,284</u>	<u>15,194,678</u>
Total return before distributions			140,162,548	77,646,075
Finance costs: Distributions	5		(28,089,882)	(30,852,119)
Change in net assets attributable to Shareholders from investment activities			<u>112,072,666</u>	<u>46,793,956</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	30/06/2014 £
Opening net assets attributable to Shareholders		1,031,668,282	1,122,070,492
Amounts receivable on issue of shares	24,567,853		19,064,683
Amounts payable on cancellation of shares	<u>(176,889,248)</u>	<u>(152,321,395)</u>	<u>(158,125,007)</u>
			(139,060,324)
Dilution Adjustment		38,706	-
Stamp Duty Reserve Tax		(8,864)	(434,224)
Change in net assets attributable to Shareholders from investment activities (see above)		112,072,666	46,793,956
Retained distributions on accumulation shares		2,067,602	2,269,509
Unclaimed distributions		13,598	28,873
Closing net assets attributable to Shareholders		<u>993,530,595</u>	<u>1,031,668,282</u>

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			982,283,584		1,031,232,820
Debtors	7	6,150,775		9,902,339	
Cash and bank balances	8	27,330,884		7,134,277	
Total other assets			33,481,659		17,036,616
Total assets			1,015,765,243		1,048,269,436
LIABILITIES					
Creditors	9	(12,565,185)		(7,717,289)	
Distribution payable on income shares		(9,669,463)		(8,883,865)	
Total other liabilities			(22,234,648)		(16,601,154)
Total liabilities			(22,234,648)		(16,601,154)
Net assets attributable to Shareholders			993,530,595		1,031,668,282

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	9.1561	0.9156	8.2405	0.0000	8.2405	6.5342
Group 2	3.2730	0.3273	2.9457	5.2948	8.2405	6.5342
Institutional Shares (Net Accumulation)						
Group 1	2.6401	0.2640	2.3761	0.0000	2.3761	1.8269
Group 2	0.6930	0.0693	0.6237	1.7524	2.3761	1.8269
Institutional Shares (Net Income)						
Group 1	9.6433	0.9643	8.6790	0.0000	8.6790	6.8525
Group 2	4.5748	0.4575	4.1173	4.5617	8.6790	6.8525
X Shares (Net Accumulation)						
Group 1	3.1978	0.3198	2.8780	0.0000	2.8780	2.1712
Group 2	3.1978	0.3198	2.8780	0.0000	2.8780	2.1712
Exempt Shares 1 (Net Accumulation)						
Group 1	4.9897	0.4990	4.4907	0.0000	4.4907	3.4374
Group 2	1.4780	0.1478	1.3302	3.1605	4.4907	3.4374
Exempt Shares 3 (Net Accumulation)						
Group 1	2.1592	0.2159	1.9433	0.0000	1.9433	1.4887
Group 2	2.1592	0.2159	1.9433	0.0000	1.9433	1.4887
Institutional Shares W (Net Income)						
Group 1	1.5544	0.1554	1.3990	0.0000	1.3990	1.1017
Group 2	0.7468	0.0747	0.6721	0.7269	1.3990	1.1017
Institutional Shares W (Net Accumulation)						
Group 1	1.6596	0.1660	1.4936	0.0000	1.4936	1.1457
Group 2	0.6980	0.0698	0.6282	0.8654	1.4936	1.1457
Retail Advised Shares B (Net Income)						
Group 1	1.4734	0.1473	1.3261	0.0000	1.3261	1.0461
Group 2	0.5258	0.0526	0.4732	0.8529	1.3261	1.0461
Retail Advised Shares B (Net Accumulation)						
Group 1	1.5698	0.1570	1.4128	0.0000	1.4128	1.0854
Group 2	0.5776	0.0578	0.5198	0.8930	1.4128	1.0854

Distribution Statement (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	6.8251	0.6825	6.1426	0.0000	6.1426	3.9829
Group 2	3.9830	0.3983	3.5847	2.5579	6.1426	3.9829
Institutional Shares (Net Accumulation)						
Group 1	1.9587	0.1959	1.7628	0.0000	1.7628	1.1198
Group 2	1.0364	0.1036	0.9328	0.8300	1.7628	1.1198
Institutional Shares (Net Income)						
Group 1	7.2131	0.7213	6.4918	0.0000	6.4918	4.2243
Group 2	6.7602	0.6760	6.0842	0.4076	6.4918	4.2243
X Shares (Net Accumulation)						
Group 1	2.3683	0.2368	2.1315	0.0000	2.1315	1.3410
Group 2	1.9030	0.1903	1.7127	0.4188	2.1315	1.3410
Exempt Shares 1 (Net Accumulation)						
Group 1	3.6997	0.3700	3.3297	0.0000	3.3297	2.1051
Group 2	2.5953	0.2595	2.3358	0.9939	3.3297	2.1051
Exempt Shares 3 (Net Accumulation)						
Group 1	1.6010	0.1601	1.4409	0.0000	1.4409	0.9118
Group 2	1.6010	0.1601	1.4409	0.0000	1.4409	0.9118
Institutional Shares W (Net Income)						
Group 1	1.1621	0.1162	1.0459	0.0000	1.0459	0.6788
Group 2	0.6429	0.0643	0.5786	0.4673	1.0459	0.6788
Institutional Shares W (Net Accumulation)						
Group 1	1.2308	0.1231	1.1077	0.0000	1.1077	0.7020
Group 2	0.6078	0.0608	0.5470	0.5607	1.1077	0.7020
Retail Advised Shares B (Net Income)						
Group 1	1.0972	0.1097	0.9875	0.0000	0.9875	0.6370
Group 2	0.4117	0.0412	0.3705	0.6170	0.9875	0.6370
Retail Advised Shares B (Net Accumulation)						
Group 1	1.1664	0.1166	1.0498	0.0000	1.0498	0.6573
Group 2	0.9470	0.0947	0.8523	0.1975	1.0498	0.6573

Distribution Statement (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	2.6911	0.2691	2.4220	0.0000	2.4220	4.4030
Group 2	1.0041	0.1004	0.9037	1.5183	2.4220	4.4030
Institutional Shares (Net Accumulation)						
Group 1	0.7912	0.0791	0.7121	0.0000	0.7121	1.2251
Group 2	0.4908	0.0491	0.4417	0.2704	0.7121	1.2251
Institutional Shares (Net Income)						
Group 1	2.9237	0.2924	2.6313	0.0000	2.6313	4.6498
Group 2	0.2476	0.0248	0.2228	2.4085	2.6313	4.6498
X Shares (Net Accumulation)						
Group 1	0.9540	0.0954	0.8586	0.0000	0.8586	1.4625
Group 2	0.0000	0.0000	0.0000	0.8586	0.8586	1.4625
Exempt Shares 1 (Net Accumulation)						
Group 1	1.4926	0.1493	1.3433	0.0000	1.3433	2.2996
Group 2	0.7418	0.0742	0.6676	0.6757	1.3433	2.2996
Exempt Shares 3 (Net Accumulation)						
Group 1	0.6461	0.0646	0.5815	0.0000	0.5815	0.9964
Group 2	0.6461	0.0646	0.5815	0.0000	0.5815	0.9964
Institutional Shares W (Net Income)						
Group 1	0.4707	0.0471	0.4236	0.0000	0.4236	0.7485
Group 2	0.1829	0.0183	0.1646	0.2590	0.4236	0.7485
Institutional Shares W (Net Accumulation)						
Group 1	0.4969	0.0497	0.4472	0.0000	0.4472	0.7681
Group 2	0.2123	0.0212	0.1911	0.2561	0.4472	0.7681
Retail Advised Shares B (Net Income)						
Group 1	0.4322	0.0432	0.3890	0.0000	0.3890	0.7060
Group 2	0.0191	0.0019	0.0172	0.3718	0.3890	0.7060
Retail Advised Shares B (Net Accumulation)						
Group 1	0.4611	0.0461	0.4150	0.0000	0.4150	0.7214
Group 2	0.4093	0.0409	0.3684	0.0466	0.4150	0.7214

Distribution Statement (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	4.3380	0.4338	3.9042	0.0000	3.9042	4.9443
Group 2	1.4926	0.1493	1.3433	2.5609	3.9042	4.9443
Institutional Shares (Net Accumulation)						
Group 1	1.2341	0.1234	1.1107	0.0000	1.1107	1.3594
Group 2	0.1951	0.0195	0.1756	0.9351	1.1107	1.3594
Institutional Shares (Net Income)						
Group 1	4.5857	0.4586	4.1271	0.0000	4.1271	5.1971
Group 2	3.6186	0.3619	3.2567	0.8704	4.1271	5.1971
X Shares (Net Accumulation)						
Group 1	1.4843	0.1484	1.3359	0.0000	1.3359	1.6200
Group 2	1.4843	0.1484	1.3359	0.0000	1.3359	1.6200
Exempt Shares 1 (Net Accumulation)						
Group 1	2.3249	0.2325	2.0924	0.0000	2.0924	2.5484
Group 2	0.7703	0.0770	0.6933	1.3991	2.0924	2.5484
Exempt Shares 3 (Net Accumulation)						
Group 1	1.0066	0.1007	0.9059	0.0000	0.9059	1.1045
Group 2	1.0066	0.1007	0.9059	0.0000	0.9059	1.1045
Institutional Shares W (Net Income)						
Group 1	0.7377	0.0738	0.6639	0.0000	0.6639	0.8338
Group 2	0.3491	0.0349	0.3142	0.3497	0.6639	0.8338
Institutional Shares W (Net Accumulation)						
Group 1	0.7741	0.0774	0.6967	0.0000	0.6967	0.8503
Group 2	0.3921	0.0392	0.3529	0.3438	0.6967	0.8503
Retail Advised Shares B (Net Income)						
Group 1	0.6954	0.0695	0.6259	0.0000	0.6259	0.7886
Group 2	0.2223	0.0222	0.2001	0.4258	0.6259	0.7886
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7297	0.0730	0.6567	0.0000	0.6567	0.8027
Group 2	0.7297	0.0730	0.6567	0.0000	0.6567	0.8027

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	126,822,452	62,308,301
Currency exchange (losses)/gains	(349,211)	155,195
Activity charges	(36,977)	(12,099)
Net capital gains	126,436,264	62,451,397

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	31	104,770
Overseas dividends	4,870,650	3,748,726
Property income distribution	189,909	453,883
Stock lending	48,708	7,419
UK dividends	24,582,877	28,038,559
Total revenue	29,692,175	32,353,357

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	14,360,572	15,654,563
Administration fees	942,861	1,036,332
Registrar's disbursement fees	-	8,548
Safe custody charges	30,803	29,096
	15,334,236	16,728,539
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,888	59,400
Distribution reconciliation service	3,349	8,993
	63,237	68,393
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,753	7,320
- Non-audit services (tax compliance fee)†	-	2,532
Financial Conduct Authority fee	277	287
	7,030	10,139
Total expenses	15,404,503	16,807,071

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,200 (2014: £6,100) and £nil (2014: £2,110) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Income tax suffered	-	106,010
	<u>-</u>	<u>106,010</u>
Overseas tax withheld	559,877	245,106
Total current tax charge (see note 4b)	<u>559,877</u>	<u>351,116</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>14,286,161</u>	<u>15,545,794</u>
Corporation tax @ 20%	2,857,232	3,109,159
Effects of:		
Dividends not subject to corporation tax	(5,597,862)	(6,285,370)
Excess management expenses	2,809,330	3,176,211
Income tax suffered	-	106,010
Overseas tax withheld	559,877	245,106
Overseas tax expensed	(68,700)	-
Total current tax charge (see note 4a)	<u>559,877</u>	<u>351,116</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £206,292,125 (30/06/14: £192,245,474), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £41,258,425 (30/06/14: £38,449,095).

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 30 September - Sterling Income Shares	4,864,353	7,247,339
Interim dividend 30 September - Institutional Shares (Net Accumulation)	24,575	73,571
Interim dividend 30 September - Institutional Shares (Net Income)	21,547	30,817
Interim dividend 30 September - X Shares (Net Accumulation)	84,798	113,933
Interim dividend 30 September - Exempt Shares 1 (Net Accumulation)	178,292	338,488
Interim dividend 30 September - Exempt Shares 3 (Net Accumulation)	36,074	47,532
Interim dividend 30 September - Institutional Shares W (Net Income)	280,321	60,912
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	44,099	14,500
Interim dividend 30 September - Retail Advised Shares B (Net Income)	1,751	268
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	65	390
Interim dividend 31 December - Sterling Income Shares	2,909,634	6,152,180
Interim dividend 31 December - Institutional Shares (Net Accumulation)	14,041	64,076
Interim dividend 31 December - Institutional Shares (Net Income)	13,526	27,730
Interim dividend 31 December - X Shares (Net Accumulation)	59,130	95,929
Interim dividend 31 December - Exempt Shares 1 (Net Accumulation)	110,017	278,614

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Exempt Shares 3 (Net Accumulation)	23,154	41,695
Interim dividend 31 December - Institutional Shares W (Net Income)	203,415	178,791
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	35,753	23,093
Interim dividend 31 December - Retail Advised Shares B (Net Income)	1,131	2,141
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	49	350
Interim dividend 31 March - Sterling Income Shares	6,930,570	5,353,230
Interim dividend 31 March - Institutional Shares (Net Accumulation)	36,070	56,900
Interim dividend 31 March - Institutional Shares (Net Income)	32,948	22,909
Interim dividend 31 March - X Shares (Net Accumulation)	152,409	87,919
Interim dividend 31 March - Exempt Shares 1 (Net Accumulation)	272,146	253,744
Interim dividend 31 March - Exempt Shares 3 (Net Accumulation)	57,378	37,314
Interim dividend 31 March - Institutional Shares W (Net Income)	657,382	201,099
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	100,572	28,248
Interim dividend 31 March - Retail Advised Shares B (Net Income)	3,091	2,040
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	150	367
Final dividend 30 June - Sterling Income Shares	8,695,155	8,448,165
Final dividend 30 June - Institutional Shares (Net Accumulation)	48,666	37,491
Final dividend 30 June - Institutional Shares (Net Income)	14,878	36,665
Final dividend 30 June - X Shares (Net Accumulation)	205,108	142,358
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	355,394	411,453
Final dividend 30 June - Exempt Shares 3 (Net Accumulation)	77,381	59,279
Final dividend 30 June - Institutional Shares W (Net Income)	955,241	395,940
Final dividend 30 June - Institutional Shares W (Net Accumulation)	152,068	61,790
Final dividend 30 June - Retail Advised Shares B (Net Income)	4,189	3,095
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	213	475
	27,656,734	30,432,830
Amounts added on issue of shares	(97,363)	(71,738)
Amounts deducted on cancellation of shares	530,511	491,027
Net distributions for the year	28,089,882	30,852,119
Interest	1,511	492
Total finance costs	28,091,393	30,852,611

6 Net movement between revenue after taxation and distributions

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	13,726,284	15,194,678
ACD's periodic charge less tax relief paid from capital	14,360,572	15,654,563
Equalisation on conversions	2,940	2,881
Undistributed revenue brought forward	86	83
Undistributed revenue carried forward	-	(86)
	28,089,882	30,852,119

Notes to the Financial Statements (continued)**7 Debtors**

	30/06/2015	30/06/2014
	£	£
Accrued revenue	4,069,673	4,440,451
Amount receivable for issue of shares	342,328	25,624
Income tax recoverable	98,725	90,776
Overseas tax recoverable	406,627	201,519
Sales awaiting settlement	1,233,422	5,143,969
	6,150,775	9,902,339

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	20	4,977,995
Cash held in BNY Mellon Sterling Liquidity Fund	27,330,864	2,156,282
	27,330,884	7,134,277

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	1,322,061	1,348,173
Amount payable for cancellation of shares	1,474,841	1,783,376
Purchases awaiting settlement	9,768,283	4,585,740
	12,565,185	7,717,289

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees and safe custody charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £2,446,788 (30/06/14: £3,094,933).

11 Financial instruments**Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Notes to the Financial Statements (continued)**11 Financial instruments (continued)****Foreign currency risk**

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	920,930,833	10,541,311	931,472,144	852,812,079
Europe	-	52,747	52,747	32,268,856
Switzerland	29,427,717	353,880	29,781,597	32,441,022
United States	31,925,034	299,073	32,224,107	114,146,325
Total	982,283,584	11,247,011	993,530,595	1,031,668,282

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	603,224,074	1,024,911,283
Commissions	399,897	668,149
Taxes	<u>2,618,555</u>	<u>3,527,659</u>
Total purchase costs	3,018,452	4,195,808
Gross purchases total	<u>606,242,526</u>	<u>1,029,107,091</u>
Analysis of total sales proceeds:		
Sales before transaction costs	783,301,663	1,074,931,465
Commissions	(539,644)	(768,738)
Taxes	<u>(3,282)</u>	<u>(2,155)</u>
Total sales costs	(542,926)	(770,893)
Total sales net of transaction costs	<u>782,758,737</u>	<u>1,074,160,572</u>

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £37,450,650 of investments were subject to stock lending agreements and the Fund held £42,330,062 in collateral. The collateral is held 7.85% in debt securities and 92.15% in equity securities.

As at 30 June 2014, £2,384,008 of investments were subject to stock lending agreements and the Fund held £2,609,550 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £60,885 (30/06/14: £9,274) and £12,177 (30/06/14: £1,855).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Institutional Shares (Net Accumulation), Institutional Shares (Net Income), X Shares (Net Accumulation), Exempt Shares 1 (Net Accumulation), Exempt Shares 3 (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Institutional Shares (Net Accumulation)	1.00%	0.03%
Institutional Shares (Net Income)	1.00%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Exempt Shares 3 (Net Accumulation)	0.60%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 618 to 619. The distributions are given in the distribution statements on pages 626 to 629. All share classes have the same rights on winding up.

**BNY MELLON INVESTMENT FUNDS – NEWTON UK INCOME FUND
(FORMERLY NEWTON HIGHER INCOME FUND)**

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,749.03m
Comparative Index:	FTSE All Share TR
Sector:	The Investment Association UK Equity Income

Yield as at 30 June 2015:

Sterling Income Shares	4.09%
Exempt Shares 1 (Net Accumulation)	4.15%
Exempt Shares 2 (Net Accumulation)	4.15%
Institutional Shares (Accumulation)	4.15%
Institutional Shares (Income)	4.19%
X Shares (Net Accumulation)	4.14%
X Shares (Net Income)	4.18%
Institutional Shares W (Net Income)	4.19%
Institutional Shares W (Net Accumulation)	4.15%
Retail Advised Shares B (Net Income)	4.14%
Retail Advised Shares B (Net Accumulation)	4.10%

Key Dates: Fund Launch 01 June 1987 (Managed by Newton since November 1994)

Investment Objective

The objective of the Fund is to achieve increasing distributions on a calendar year basis with long term capital growth.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	3.95%	10.85%	15.17%	1.92%	16.69%
Exempt Shares 1 (Net Accumulation)	5.07%	12.06%	16.44%	3.01%	17.96%
Exempt Shares 2 (Net Accumulation)	4.82%	11.81%	16.15%	2.75%	17.66%
Institutional Shares (Accumulation)	4.55%	11.50%	15.87%	2.50%	17.37%
Institutional Shares (Income)	4.56%	11.50%	15.81%	2.50%	17.36%
X Shares (Net Accumulation)	5.58%	12.62%	16.96%	3.53%	18.54%
X Shares (Net Income)*	5.59%	12.62%	16.92%	3.53%	n/a
Institutional Shares W (Net Income)*	4.83%	11.77%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.79%	11.78%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	4.48%	11.40%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	4.49%	11.41%	n/a	n/a	n/a
FTSE All Share TR	2.60%	13.12%	17.93%	-3.13%	25.63%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 3.95% against a return of 2.60% for the FTSE All-Share Index.

The Fund outperformed the FTSE All-Share Index. The largest stock-level contribution came from Sage Group; in December, the software firm reaffirmed its growth strategy as it announced good results for its first full year under its new chief executive. The Fund ended the period with a significantly underweight position in Royal Dutch Shell; this boosted relative returns as the oil price declined. Similarly, not holding BHP Billiton, the world's largest mining group, helped the Fund's relative performance significantly. The holding in Swiss pharmaceuticals company Novartis made a strong contribution, helped by good news about its product pipeline and its new heart drug in particular. Detractors from performance included Centrica, as UK energy firms came under political pressure, and the underweight position in Barclays, which performed well over the year. Holding neither BT Group nor Lloyds Banking Group also weighed on relative performance, as both performed well.

The manager added a new position in Imperial Tobacco following an increased focus on cash generation from the new CFO. An investment was made in National Express, the global bus and rail company, where US and Spanish markets were showing improving trends. Other new positions included Wolseley, the plumbing distributor, Premier Inn and Costa Coffee owner Whitbread, QinetiQ (technology-based defence solutions), Next (clothing retail), Cisco Systems (technology) and Smith & Nephew (medical devices). The Royal Dutch shell holding was significantly reduced on concern over the outlook for the oil price. The French pharmaceutical company Sanofi was sold on concerns about the performance of its US diabetes franchise. The manager also sold the positions in US software giant Microsoft, as its incremental growth was looking slightly more challenging, and in US pharmaceutical Johnson & Johnson, on a tougher competitive outlook. Other sales included Admiral (motor insurance), Cable & Wireless Communications (telecoms), Berkeley Group (property) and Reynolds America (tobacco).

With effect from 1 April 2015 the name of the fund changed from Newton Higher Income Fund to Newton UK Income Fund.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Imperial Tobacco	Royal Dutch Shell class 'B' shares
Daily Mail & General Trust class 'A' shares	British American Tobacco
Diageo	Nestle
National Express	Sanofi
Smith & Nephew	Diageo
Legal & General	SSE
BAE Systems	Microsoft
Cisco Systems	Vodafone
Nestle	Cable & Wireless Communications
Johnson & Johnson	Johnson & Johnson

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	56.47	47.04	3.6283
2012	54.47	49.91	2.8548
2013	61.99	53.62	2.4990
2014	62.66	55.33	2.4512
2015	66.04	60.40	1.6326
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2011	236.72	201.76	15.4451
2012	252.69	224.69	13.1124
2013	300.96	253.27	12.2469
2014	326.76	288.13	12.6731
2015	348.66	316.91	8.7007
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	148.77	126.76	9.7080
2012	158.24	140.90	8.2284
2013	188.04	158.59	7.6610
2014	203.68	179.66	7.9088
2015	217.08	197.50	5.4191
Institutional Shares (Accumulation)	Pence	Pence	Pence
2011	142.28	121.20	9.2859
2012	150.80	134.46	7.8521
2013	178.67	151.11	7.2919
2014	193.09	170.37	7.5060
2015	205.54	187.19	5.1326
Institutional Shares (Income)	Pence	Pence	Pence
2011	58.75	49.01	3.8153
2012	57.06	52.19	3.0243
2013	65.16	56.25	2.6701
2014	66.38	58.57	2.6348
2015	70.07	64.01	1.7434
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	241.29	205.77	15.7381
2012	259.36	230.02	13.3067
2013	310.43	259.96	12.5976
2014	338.55	298.31	13.0973
2015	362.11	328.49	9.0311
X Shares (Net Income)	Pence	Pence	Pence
2011	105.84	88.53	6.8797
2012	104.19	95.00	5.4542
2013	119.80	103.01	4.9134
2014	123.94	109.21	4.8975
2015	131.21	119.61	3.2676
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 4 September)	102.40	97.80	1.3406
2013	117.75	101.54	4.8275
2014	120.41	106.21	4.7754
2015	127.19	116.13	3.1640

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 4 September)	102.68	98.07	1.3429
2013	121.97	102.90	4.9706
2014	132.10	116.53	5.1300
2015	140.78	128.09	3.5140
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 21 September)	100.87	96.36	1.1521
2013 (to 23 September)	115.86	100.01	3.0293
**P Shares (Net Income) share class closed 23 September 2013.			
P Shares (Net Accumulation)***	Pence	Pence	Pence
2012 (from 4 October)	100.72	96.22	1.0384
2013 (to 26 July)	118.34	100.92	3.0781
***P Shares (Net Accumulations) share class closed 26 July 2013.			
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 3 October)	101.10	96.59	1.0256
2013	116.15	100.26	4.6609
2014	118.31	104.41	4.6175
2015	124.88	114.10	3.0885
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 3 October)	101.10	96.58	1.0254
2013	119.69	101.30	4.8099
2014	129.27	114.07	4.9400
2015	137.56	125.31	3.4129

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	1,471,544,944	56.52	2,603,648,282
30/06/2014	1,356,510,849	60.24	2,251,827,489
30/06/2015	1,139,565,322	59.60	1,911,981,116
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	97,635,228	275.98	35,377,635
30/06/2014	96,814,517	309.76	31,254,392
30/06/2015	76,583,685	322.78	23,726,320
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	8,592,001	172.60	4,978,115
30/06/2014	1,560,855	193.29	807,500
30/06/2015	1,256,165	200.91	625,249

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional Shares (Accumulation)			
30/06/2013	266,817,544	Pence 164.25	162,443,836
30/06/2014	174,979,169	183.44	95,388,877
30/06/2015	159,089,574	190.19	83,647,670
Institutional Shares (Income)			
30/06/2013	28,345,193	Pence 59.44	47,690,604
30/06/2014	22,146,550	63.67	34,784,362
30/06/2015	10,095,493	63.32	15,942,483
X Shares (Net Accumulation)			
30/06/2013	118,953,113	Pence 283.95	41,891,715
30/06/2014	151,443,522	320.30	47,281,377
30/06/2015	120,494,287	335.35	35,930,784
X Shares (Net Income)			
30/06/2013	81,464,490	Pence 109.39	74,468,767
30/06/2014	87,741,783	118.37	74,125,928
30/06/2015	81,468,583	118.90	68,515,937
Institutional Shares W (Net Income)			
30/06/2013	28,047,544	Pence 107.43	26,107,988
30/06/2014	87,248,907	115.37	75,626,678
30/06/2015	150,635,855	115.03	130,948,623
Institutional Shares W (Net Accumulation)			
30/06/2013	775,114	Pence 111.99	692,144
30/06/2014	13,413,996	125.38	10,699,002
30/06/2015	9,388,093	130.30	7,205,254
P Shares (Net Income)**			
30/06/2013	505,490	Pence 105.68	478,319
**P Shares (Net Income) share class closed 23 September 2013.			
P Shares (Net Accumulation)***			
30/06/2013	120,276	Pence 109.70	109,638
***P Shares (Net Accumulations) share class closed 26 July 2013.			
Retail Advised Shares B (Net Income)			
30/06/2013	26,284	Pence 108.36	24,256
30/06/2014	137,985	113.50	121,575
30/06/2015	224,890	112.85	199,277
Retail Advised Shares B (Net Accumulation)			
30/06/2013	36,076	Pence 108.32	33,304
30/06/2014	158,671	122.84	129,166
30/06/2015	228,678	127.28	179,670

Statistics (continued)**Ongoing Charges**

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.61	1.61
Exempt Shares 1 (Net Accumulation)	0.54	0.54
Exempt Shares 2 (Net Accumulation)	0.79	0.79
Institutional Shares (Accumulation)	1.04	1.04
Institutional Shares (Income)	1.04	1.04
X Shares (Net Accumulation)	0.04	0.04
X Shares (Net Income)	0.04	0.04
Institutional Shares W (Net Income)	0.79	0.79
Institutional Shares W (Net Accumulation)	0.79	0.79
Retail Advised Shares B (Net Income)	1.11	1.11
Retail Advised Shares B (Net Accumulation)	1.11	1.11

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 82.93% (79.29%)			
Oil & Gas Producers 1.44% (10.76%)			
BP	6,000,000	25,206,000	1.44
Aerospace & Defence 3.64% (2.50%)			
BAE Systems	6,960,000	31,403,520	1.80
Cobham	9,600,000	25,248,000	1.44
QinetiQ	3,096,000	6,941,232	0.40
Support Services 5.86% (4.79%)			
Atkins (WS)	600,000	9,090,000	0.52
Berendsen	1,260,000	12,826,800	0.73
Bunzl	2,560,000	44,492,800	2.55
G4S	5,460,000	14,665,560	0.84
Wolseley	526,000	21,371,380	1.22
Beverages 1.05% (1.52%)			
Diageo	1,000,000	18,410,000	1.05
Food Producers 0.70% (0.45%)			
Tate & Lyle	2,360,000	12,260,200	0.70
Tobacco 6.12% (4.74%)			
British American Tobacco	1,260,000	43,022,700	2.46
Imperial Tobacco	2,086,000	63,956,760	3.66
Pharmaceuticals & Biotechnology 7.82% (7.98%)			
AstraZeneca	1,936,000	77,807,840	4.45
GlaxoSmithKline	4,460,000	58,983,500	3.37
Media 8.31% (4.51%)			
Daily Mail & General Trust class 'A' shares	3,496,000	32,477,840	1.86
ITV	9,600,000	25,276,800	1.44
Reed Elsevier	8,460,000	87,561,000	5.01
Travel & Leisure 9.74% (4.55%)			
Compass	5,000,000	52,650,000	3.01
Domino's Pizza	3,046,000	23,636,960	1.35
Ladbrokes	10,260,000	13,296,960	0.76
National Express	18,260,000	56,094,720	3.21
Whitbread	500,000	24,725,000	1.41
Mobile Telecommunications 2.95% (3.88%)			
Vodafone	22,460,000	51,624,310	2.95
Electricity 0.35% (1.78%)			
SSE	400,000	6,144,000	0.35
Gas, Water & Multiutilities 10.70% (11.84%)			
Centrica	10,000,000	26,380,000	1.51
National Grid	9,096,000	74,332,512	4.25
Severn Trent	2,096,000	43,617,760	2.49
United Utilities	4,800,000	42,816,000	2.45
Nonlife Insurance 1.38% (4.32%)			
Amlin	1,400,000	6,664,000	0.38
Hiscox	2,096,000	17,574,960	1.00
Life Insurance 5.05% (6.02%)			
Legal & General	10,860,000	27,019,680	1.54
Prudential	4,000,000	61,300,000	3.51

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Financial Services 4.44% (1.04%)			
Close Brothers	900,000	13,752,000	0.79
ICAP	3,690,000	19,520,100	1.11
Standard Life	10,000,000	44,400,000	2.54
Software & Computer Services 5.27% (3.10%)			
Sage	18,000,000	92,250,000	5.27
Banks 0.15% (0.00%)			
Barclays	1,000,000	2,605,000	0.15
General Retailers 1.49% (0.00%)			
Next	350,000	26,057,500	1.49
Health Care Equipment & Services 2.00% (0.00%)			
Smith & Nephew	3,260,000	35,012,400	2.00
Industrial Transportation 0.50% (0.00%)			
Royal Mail	1,690,000	8,686,600	0.50
Investment Trusts 3.97% (1.66%)			
Bilfinger Berger Global	11,480,000	14,091,700	0.81
HICL Infrastructure	25,000,000	38,500,000	2.20
John Laing Infrastructure Fund	13,865,455	16,874,259	0.96
Overseas Equities 16.19% (16.99%)			
United States of America 3.27% (4.39%)			
Cisco Systems	1,496,000	26,111,274	1.49
Merck & Co	860,000	31,114,643	1.78
Netherlands 5.57% (2.26%)			
Royal Dutch Shell class 'B' shares	1,600,000	28,912,000	1.65
Wolters Kluwer	3,626,000	68,448,296	3.92
Sweden 0.34% (0.00%)			
Ericsson series 'B' shares	896,000	5,898,012	0.34
Switzerland 7.01% (7.45%)			
Novartis	836,000	52,413,526	3.00
Roche	253,600	45,205,606	2.58
Swisscom	70,000	24,931,963	1.43
Portfolio of investments		1,733,663,673	99.12
Net current assets		15,366,952	0.88
Total Net Assets		1,749,030,625	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

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

During the year ended 30 June 2015, the Fund disposed of its holdings in the Oil & Gas Equipment, Services & Distribution, Chemicals, Industrial Engineering, Household Goods & Home Construction, Fixed Line Telecommunications, Thailand and France portfolio categories, which, at 30 June 2014, represented 0.98%, 1.13%, 0.97%, 0.76%, 1.67%, 0.33% and 2.56% respectively of the Total Net Assets of the Fund.

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		11,452,698		164,735,749
Revenue	2	79,707,646		88,696,634	
Expenses	3	(24,275,877)		(27,262,865)	
Finance costs: Interest	5	(466)		(412)	
Net revenue before taxation		55,431,303		61,433,357	
Taxation	4	(1,390,155)		(1,325,788)	
Net revenue after taxation			54,041,148		60,107,569
Total return before distributions			65,493,846		224,843,318
Finance costs: Distributions	5		(77,120,383)		(85,573,518)
Change in net assets attributable to Shareholders from investment activities			(11,626,537)		139,269,800

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		1,992,156,804		2,102,863,297
Amounts receivable on issue of shares	182,825,705		192,821,243	
Amounts payable on cancellation of shares	(429,976,323)		(460,443,611)	
		(247,150,618)		(267,622,368)
Dilution adjustment		26,027		109,362
Stamp Duty Reserve Tax		-		(1,079,720)
Change in net assets attributable to Shareholders from investment activities (see above)		(11,626,537)		139,269,800
Retained distributions on accumulation shares		15,592,701		18,544,592
Unclaimed distributions		32,248		71,841
Closing net assets attributable to Shareholders		1,749,030,625		1,992,156,804

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			1,733,663,673		1,951,027,913
Debtors	7	22,837,314		30,100,676	
Cash and bank balances	8	<u>32,943,462</u>		<u>69,355,945</u>	
Total other assets			<u>55,780,776</u>		<u>99,456,621</u>
Total assets			1,789,444,449		2,050,484,534
LIABILITIES					
Bank overdraft	8	(210)		-	
Creditors	9	(17,834,602)		(29,662,634)	
Distribution payable on income shares		<u>(22,579,012)</u>		<u>(28,665,096)</u>	
Total other liabilities			<u>(40,413,824)</u>		<u>(58,327,730)</u>
Total liabilities			(40,413,824)		(58,327,730)
Net assets attributable to Shareholders			<u>1,749,030,625</u>		<u>1,992,156,804</u>

Distribution Statements

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 April 2015
						Group 2: Shares purchased 1 April 2015 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	1.0824	0.1082	0.9742	0.0000	0.9742	1.1102
Group 2	0.4939	0.0494	0.4445	0.5297	0.9742	1.1102
Exempt Shares 1 (Net Accumulation)						
Group 1	5.7597	0.5760	5.1837	0.0000	5.1837	5.6508
Group 2	2.4249	0.2425	2.1824	3.0013	5.1837	5.6508
Exempt Shares 2 (Net Accumulation)						
Group 1	3.5864	0.3586	3.2278	0.0000	3.2278	3.5274
Group 2	2.6228	0.2623	2.3605	0.8673	3.2278	3.5274
Institutional Shares (Accumulation)						
Group 1	3.3963	0.3396	3.0567	0.0000	3.0567	3.3487
Group 2	1.4326	0.1433	1.2893	1.7674	3.0567	3.3487
Institutional Shares (Income)						
Group 1	1.1484	0.1148	1.0336	0.0000	1.0336	1.1839
Group 2	0.2990	0.0299	0.2691	0.7645	1.0336	1.1839
X Shares (Net Accumulation)						
Group 1	5.9800	0.5980	5.3820	0.0000	5.3820	5.8388
Group 2	1.1270	0.1127	1.0143	4.3677	5.3820	5.8388
X Shares (Net Income)						
Group 1	2.1549	0.2155	1.9394	0.0000	1.9394	2.1978
Group 2	0.4128	0.0413	0.3715	1.5679	1.9394	2.1978
Institutional Shares W (Net Income)						
Group 1	2.0839	0.2084	1.8755	0.0000	1.8755	2.1445
Group 2	0.9491	0.0949	0.8542	1.0213	1.8755	2.1445
Institutional Shares W (Net Accumulation)						
Group 1	2.3263	0.2326	2.0937	0.0000	2.0937	2.2880
Group 2	1.1851	0.1185	1.0666	1.0271	2.0937	2.2880
Retail Advised Shares B (Net Income)						
Group 1	2.0484	0.2048	1.8436	0.0000	1.8436	2.0901
Group 2	0.6983	0.0698	0.6285	1.2151	1.8436	2.0901
Retail Advised Shares B (Net Accumulation)						
Group 1	2.2731	0.2273	2.0458	0.0000	2.0458	2.2213
Group 2	2.2731	0.2273	2.0458	0.0000	2.0458	2.2213

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 January 2015
						Group 2: Shares purchased 1 January 2015 to 31 March 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2014
Sterling Income Shares						
Group 1	0.7316	0.0732	0.6584	0.0000	0.6584	0.4559
Group 2	0.4280	0.0428	0.3852	0.2732	0.6584	0.4559
Exempt Shares 1 (Net Accumulation)						
Group 1	3.9078	0.3908	3.5170	0.0000	3.5170	2.3286
Group 2	2.3069	0.2307	2.0762	1.4408	3.5170	2.3286
Exempt Shares 2 (Net Accumulation)						
Group 1	2.4348	0.2435	2.1913	0.0000	2.1913	1.4543
Group 2	1.5673	0.1567	1.4106	0.7807	2.1913	1.4543
Institutional Shares (Accumulation)						
Group 1	2.3066	0.2307	2.0759	0.0000	2.0759	1.3813
Group 2	1.3504	0.1350	1.2154	0.8605	2.0759	1.3813
Institutional Shares (Income)						
Group 1	0.7887	0.0789	0.7098	0.0000	0.7098	0.4921
Group 2	0.4817	0.0482	0.4335	0.2763	0.7098	0.4921
X Shares (Net Accumulation)						
Group 1	4.0546	0.4055	3.6491	0.0000	3.6491	2.4036
Group 2	2.0976	0.2098	1.8878	1.7613	3.6491	2.4036
X Shares (Net Income)						
Group 1	1.4758	0.1476	1.3282	0.0000	1.3282	0.9117
Group 2	0.3527	0.0353	0.3174	1.0108	1.3282	0.9117
Institutional Shares W (Net Income)						
Group 1	1.4317	0.1432	1.2885	0.0000	1.2885	0.8910
Group 2	0.7470	0.0747	0.6723	0.6162	1.2885	0.8910
Institutional Shares W (Net Accumulation)						
Group 1	1.5781	0.1578	1.4203	0.0000	1.4203	0.9433
Group 2	0.8458	0.0846	0.7612	0.6591	1.4203	0.9433
Retail Advised Shares B (Net Income)						
Group 1	1.3832	0.1383	1.2449	0.0000	1.2449	0.8575
Group 2	0.7114	0.0711	0.6403	0.6046	1.2449	0.8575
Retail Advised Shares B (Net Accumulation)						
Group 1	1.5190	0.1519	1.3671	0.0000	1.3671	0.9045
Group 2	1.5190	0.1519	1.3671	0.0000	1.3671	0.9045

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 December 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2013
Sterling Income Shares						
Group 1	0.3566	0.0357	0.3209	0.0000	0.3209	0.4063
Group 2	0.1808	0.0181	0.1627	0.1582	0.3209	0.4063
Exempt Shares 1 (Net Accumulation)						
Group 1	1.9261	0.1926	1.7335	0.0000	1.7335	2.0613
Group 2	1.2117	0.1212	1.0905	0.6430	1.7335	2.0613
Exempt Shares 2 (Net Accumulation)						
Group 1	1.2008	0.1201	1.0807	0.0000	1.0807	1.2882
Group 2	0.5388	0.0539	0.4849	0.5958	1.0807	1.2882
Institutional Shares (Accumulation)						
Group 1	1.1381	0.1138	1.0243	0.0000	1.0243	1.2245
Group 2	0.2888	0.0289	0.2599	0.7644	1.0243	1.2245
Institutional Shares (Income)						
Group 1	0.3898	0.0390	0.3508	0.0000	0.3508	0.4391
Group 2	0.2107	0.0211	0.1896	0.1612	0.3508	0.4391
X Shares (Net Accumulation)						
Group 1	1.9914	0.1991	1.7923	0.0000	1.7923	2.1247
Group 2	1.9914	0.1991	1.7923	0.0000	1.7923	2.1247
X Shares (Net Income)						
Group 1	0.7288	0.0729	0.6559	0.0000	0.6559	0.8115
Group 2	0.7288	0.0729	0.6559	0.0000	0.6559	0.8115
Institutional Shares W (Net Income)						
Group 1	0.7086	0.0709	0.6377	0.0000	0.6377	0.7958
Group 2	0.2244	0.0224	0.2020	0.4357	0.6377	0.7958
Institutional Shares W (Net Accumulation)						
Group 1	0.7789	0.0779	0.7010	0.0000	0.7010	0.8356
Group 2	0.3704	0.0370	0.3334	0.3676	0.7010	0.8356
Retail Advised Shares B (Net Income)						
Group 1	0.6737	0.0674	0.6063	0.0000	0.6063	0.7644
Group 2	0.0637	0.0064	0.0573	0.5490	0.6063	0.7644
Retail Advised Shares B (Net Accumulation)						
Group 1	0.7366	0.0737	0.6629	0.0000	0.6629	0.8000
Group 2	0.7366	0.0737	0.6629	0.0000	0.6629	0.8000

Distribution Statements (continued)**Interim dividend distribution in pence per Share**

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 September 2014
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2013
Sterling Income Shares						
Group 1	0.6269	0.0627	0.5642	0.0000	0.5642	0.4912
Group 2	0.3369	0.0337	0.3032	0.2610	0.5642	0.4912
Exempt Shares 1 (Net Accumulation)						
Group 1	3.2891	0.3289	2.9602	0.0000	2.9602	2.4523
Group 2	1.9504	0.1950	1.7554	1.2048	2.9602	2.4523
Exempt Shares 2 (Net Accumulation)						
Group 1	2.0516	0.2052	1.8464	0.0000	1.8464	1.5324
Group 2	1.1249	0.1125	1.0124	0.8340	1.8464	1.5324
Institutional Shares (Accumulation)						
Group 1	1.9463	0.1946	1.7517	0.0000	1.7517	1.4591
Group 2	1.0976	0.1098	0.9878	0.7639	1.7517	1.4591
Institutional Shares (Income)						
Group 1	0.6756	0.0676	0.6080	0.0000	0.6080	0.5280
Group 2	0.4009	0.0401	0.3608	0.2472	0.6080	0.5280
X Shares (Net Accumulation)						
Group 1	3.4029	0.3403	3.0626	0.0000	3.0626	2.5241
Group 2	2.6911	0.2691	2.4220	0.6406	3.0626	2.5241
X Shares (Net Income)						
Group 1	1.2579	0.1258	1.1321	0.0000	1.1321	0.9728
Group 2	0.4672	0.0467	0.4205	0.7116	1.1321	0.9728
Institutional Shares W (Net Income)						
Group 1	1.2247	0.1225	1.1022	0.0000	1.1022	0.9534
Group 2	0.8196	0.0820	0.7376	0.3646	1.1022	0.9534
Institutional Shares W (Net Accumulation)						
Group 1	1.3308	0.1331	1.1977	0.0000	1.1977	0.9917
Group 2	0.8857	0.0886	0.7971	0.4006	1.1977	0.9917
Retail Advised Shares B (Net Income)						
Group 1	1.1818	0.1182	1.0636	0.0000	1.0636	0.9044
Group 2	0.4370	0.0437	0.3933	0.6703	1.0636	0.9044
Retail Advised Shares B (Net Accumulation)						
Group 1	1.2792	0.1279	1.1513	0.0000	1.1513	0.9518
Group 2	1.2792	0.1279	1.1513	0.0000	1.1513	0.9518

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

	30/06/2015	30/06/2014
	£	£
The net capital gains on investments during the year comprise:		
Gains on non-derivative securities	10,951,434	164,578,634
Currency exchange gains	560,081	167,671
Activity charges	(58,817)	(10,556)
Net capital gains	11,452,698	164,735,749

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	93,803	181,057
Overseas dividends	17,131,762	16,564,824
Stock lending	93,816	108,027
UK dividends	62,388,265	71,842,726
Total revenue	79,707,646	88,696,634

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	22,662,801	25,454,692
Administration fees	1,469,086	1,656,877
Registrar's disbursement fees	-	30
Safe custody charges	72,045	66,211
	24,203,932	27,177,810
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	59,400	59,400
Distribution reconciliation service	5,515	15,516
	64,915	74,916
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,753	7,320
- Non-audit services (tax compliance fee)†	-	2,532
Financial Conduct Authority fee	277	287
	7,030	10,139
Total expenses	24,275,877	27,262,865

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £6,200 (2014: £6,100) and £nil (2014: £2,110) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	1,390,155	1,325,788
Total current tax charge (see note 4b)	<u>1,390,155</u>	<u>1,325,788</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	<u>55,431,303</u>	<u>61,433,357</u>
Corporation tax @ 20%	11,086,261	12,286,671
Effects of:		
Dividends not subject to corporation tax	(15,904,006)	(17,681,510)
Excess management expenses	4,817,745	5,394,839
Overseas tax withheld	1,390,155	1,325,788
Total current tax charge (see note 4a)	<u>1,390,155</u>	<u>1,325,788</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £273,115,989 (30/06/14: £249,027,265), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £54,623,198 (30/06/14: £49,805,453).

5 Finance costs**Distributions**

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

	30/06/2015	30/06/2014
	£	£
Interim dividend 30 September - Sterling Income Shares	12,094,243	12,652,413
Interim dividend 30 September - Exempt Shares 1 (Net Accumulation)	928,035	834,278
Interim dividend 30 September - Exempt Shares 2 (Net Accumulation)	14,888	11,703
Interim dividend 30 September - Institutional Shares (Accumulation)	1,620,003	2,305,908
Interim dividend 30 September - Institutional Shares (Income)	192,328	243,513
Interim dividend 30 September - X Shares (Net Accumulation)	1,072,273	1,299,988
Interim dividend 30 September - X Shares (Net Income)	849,797	721,645
Interim dividend 30 September - Institutional Shares W (Net Income)	1,131,073	277,709
Interim dividend 30 September - Institutional Shares W (Net Accumulation)	122,906	11,584
Interim dividend 30 September - Retail Advised Shares B (Net Income)	1,580	553
Interim dividend 30 September - Retail Advised Shares B (Net Accumulation)	1,474	907
Interim dividend 31 December - Sterling Income Shares	6,690,464	9,986,121
Interim dividend 31 December - Exempt Shares 1 (Net Accumulation)	418,487	699,195
Interim dividend 31 December - Exempt Shares 2 (Net Accumulation)	6,827	9,998

Notes to the Financial Statements (continued)**5 Finance costs (continued)****Distributions (continued)**

	30/06/2015	30/06/2014
	£	£
Interim dividend 31 December - Institutional Shares (Accumulation)	943,992	1,322,310
Interim dividend 31 December - Institutional Shares (Income)	104,225	184,351
Interim dividend 31 December - X Shares (Net Accumulation)	512,126	894,502
Interim dividend 31 December - X Shares (Net Income)	466,656	606,365
Interim dividend 31 December - Institutional Shares W (Net Income)	678,693	363,409
Interim dividend 31 December - Institutional Shares W (Net Accumulation)	77,687	17,517
Interim dividend 31 December - Retail Advised Shares B (Net Income)	982	959
Interim dividend 31 December - Retail Advised Shares B (Net Accumulation)	835	833
Interim dividend 31 March - Sterling Income Shares	13,033,681	10,696,502
Interim dividend 31 March - Exempt Shares 1 (Net Accumulation)	844,831	763,525
Interim dividend 31 March - Exempt Shares 2 (Net Accumulation)	13,792	11,507
Interim dividend 31 March - Institutional Shares (Accumulation)	1,810,146	1,452,761
Interim dividend 31 March - Institutional Shares (Income)	199,513	195,590
Interim dividend 31 March - X Shares (Net Accumulation)	1,170,293	882,771
Interim dividend 31 March - X Shares (Net Income)	926,875	703,208
Interim dividend 31 March - Institutional Shares W (Net Income)	1,623,806	524,293
Interim dividend 31 March - Institutional Shares W (Net Accumulation)	137,318	27,118
Interim dividend 31 March - Retail Advised Shares B (Net Income)	2,220	1,036
Interim dividend 31 March - Retail Advised Shares B (Net Accumulation)	1,529	966
Final dividend 30 June - Sterling Income Shares	18,625,841	24,999,789
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	1,229,895	1,766,123
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	20,182	28,484
Final dividend 30 June - Institutional Shares (Accumulation)	2,556,850	3,194,287
Final dividend 30 June - Institutional Shares (Income)	164,778	411,812
Final dividend 30 June - X Shares (Net Accumulation)	1,933,796	2,760,665
Final dividend 30 June - X Shares (Net Income)	1,328,810	1,629,140
Final dividend 30 June - Institutional Shares W (Net Income)	2,455,909	1,621,814
Final dividend 30 June - Institutional Shares W (Net Accumulation)	150,860	244,793
Final dividend 30 June - Retail Advised Shares B (Net Income)	3,674	2,541
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	3,676	2,869
	76,167,849	84,367,355
Amounts added on issue of shares	(1,050,772)	(985,996)
Amounts deducted on cancellation of shares	2,003,306	2,192,159
Net distributions for the year	77,120,383	85,573,518
Interest	466	412
Total finance costs	77,120,849	85,573,930

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	54,041,148	60,107,569
ACD's periodic charge less tax relief paid from capital	-	25,454,692
Capitalised fees less tax relief paid from capital	23,074,177	-
Equalisation on conversions	3,894	10,786
Undistributed revenue brought forward	1,164	1,635
Undistributed revenue carried forward	-	(1,164)
	77,120,383	85,573,518

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	9,383,523	14,011,564
Amount receivable for issue of shares	190,457	874,001
Amounts receivable on open currency contracts	2,640,238	-
Overseas tax recoverable	1,900,959	1,394,559
Sales awaiting settlement	8,722,137	13,820,552
	22,837,314	30,100,676

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	-	21,493,484
Cash held in BNY Mellon Sterling Liquidity Fund	32,943,462	47,862,461
	32,943,462	69,355,945
Overdrawn cash and bank balances		
Bank overdraft	(210)	-
	(210)	-

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	2,059,063	2,235,135
Amount payable for cancellation of shares	7,935,241	5,124,886
Amounts payable on open currency contracts	2,638,223	-
Purchases awaiting settlement	5,202,075	22,302,613
	17,834,602	29,662,634

10 Related party transactions

ACD's periodic charge, administration fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £9,796,061 (30/06/14: £6,471,252).

Notes to the Financial Statements (continued)**11 Financial instruments****Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
UK	1,479,540,353	11,441,932	1,490,982,285	1,651,742,422
Europe	68,448,296	108,120	68,556,416	96,001,272
Norway	-	-	-	46,398
Sweden	5,898,012	-	5,898,012	-
Switzerland	122,551,095	1,792,630	124,343,725	149,788,423
Thailand	-	-	-	6,599,910
United States of America	57,225,917	2,024,270	59,250,187	87,978,379
Total	1,733,663,673	15,366,952	1,749,030,625	1,992,156,804

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	1,020,085,256	1,188,810,708
Commissions	688,569	759,474
Taxes	3,724,816	4,482,939
Total purchase costs	4,413,385	5,242,413
Gross purchases total	1,024,498,641	1,194,053,121
Analysis of total sales proceeds:		
Sales before transaction costs	1,258,191,965	1,383,147,213
Commissions	(885,844)	(968,328)
Taxes	(4,740)	(2,652)
Total sales costs	(890,584)	(970,980)
Total sales net of transaction costs	1,257,301,381	1,382,176,233

Notes to the Financial Statements (continued)

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015 £44,735,146 of investments were subject to stock lending agreements and the Fund held £49,727,319 in collateral. The collateral is held 1.76% in debt securities and 98.24% in equity securities.

As at 30 June 2014 £35,797,884 of investments were subject to stock lending agreements and the Fund held £38,741,015 in collateral. The collateral is held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £117,270 (30/06/14: £135,034) and £23,454 (30/06/14: £27,007).

15 Shareholders' funds

The Fund currently has eleven share classes; Sterling Income Shares, Exempt Shares 1 (Net Accumulation), Exempt Shares 2 (Net Accumulation), Institutional Shares (Accumulation), Institutional Shares (Income), X Shares (Net Accumulation), X Shares (Net Income), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
Institutional Shares (Accumulation)	1.00%	0.03%
Institutional Shares (Income)	1.00%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
X Shares (Net Income)	0.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 640 to 641. The distributions are given in the distribution statements on pages 647 to 650. All share classes have the same rights on winding up.

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for the year ended 30 June 2015

General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£388.04m
Comparative Index:	FTSE All Share TR
Sector:	The Investment Association UK All Companies

Yield as at 30 June 2015:

Sterling Income Shares	1.62%
Exempt Shares 2 (Net Accumulation)	2.40%
Institutional Shares (Accumulation)	2.17%
X Shares (Net Accumulation)	3.11%
Institutional Shares W (Net Income)	2.40%
Institutional Shares W (Net Accumulation)	2.40%
Retail Advised Shares B (Net Income)	2.10%
Retail Advised Shares B (Net Accumulation)	2.11%

Key Dates: Fund Launch 08 February 2002

Investment Objective

The objective of the Fund is to maximise long-term capital growth from a concentrated portfolio primarily invested in the securities of UK companies. The Fund does not have a bias towards any economic sector or company size.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares	10.90%	14.04%	20.75%	-2.68%	18.78%
Exempt Shares 2 (Net Accumulation)	11.78%	14.99%	21.76%	-1.87%	19.74%
Institutional Shares (Accumulation)	11.50%	14.71%	21.46%	-2.12%	19.44%
X Shares (Net Accumulation)	12.58%	15.86%	22.68%	-1.14%	20.64%
Institutional Shares W (Net Income)*	11.78%	14.97%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	11.78%	14.99%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	11.42%	14.61%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	11.43%	14.61%	n/a	n/a	n/a
FTSE All-Share TR	2.60%	13.12%	17.93%	-3.13%	25.63%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges. All figures are in sterling terms.

*Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the 12-month period under review, the Sterling Income Share Class of the Fund returned 10.90% against 2.60% for the FTSE All-Share Index TR.

This 12-month return significantly above the FTSE All-Share Index TR was driven by a broad number of stocks performing well and, importantly, the underweight position in the oil & gas and basic materials sectors. In particular, a number of mid-cap stocks enjoyed notably good performance. (Mid caps are shares in a company with a medium amount of share capital.) These included Playtech, the software firm, whose revenues continued to be very strong, while its management made a number of attractively priced acquisitions. Moneysupermarket.com, the UK's leading comparison website, had a good year too, as market participants became more confident in its business model and its growth in several areas, including insurance, utilities and travel. The Fund also benefited from its large position in Intermediate Capital. The company's credit portfolio remains resilient and inflows into its fund-management business continue apace.

As ever in the UK market, what one does not own is also important, because of the concentration of the benchmark. To that end, not owning (for most of the period) many of the large index constituents hurt by falling commodity prices proved helpful. Royal Dutch Shell, the second-largest stock in the index, had a very poor year as the falling oil price and its expensive acquisition of BG took their toll on its share price. The manager sold BHP Billiton, the world's largest miner, profitably at its peak in August 2014. The manager continues to be wary of commodity producers, conscious of their dependence on the unpredictable growth of China, which is already suffering from excess industrial and residential capacity.

Among the main drags on performance were positions in the utilities Centrica, National Grid and SSE. The largest single detractor was Wood Group, an engineering firm operating in the oil & gas sector where margins and volumes have come under pressure as the oil price has fallen.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Sports Direct International	Glaxosmithkline
Vodafone	Admiral
AstraZeneca	Plus500
Admiral	BAE Systems
Reckitt Benckiser	Sainsbury (J)
BAE Systems	Meggitt
Imperial Tobacco	Pets at Home
Discovery Communications class 'A'	Merlin Entertainments
TripAdvisor	Roche Holding
Standard Chartered	Derwent

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2011	204.07	167.85	2.4222
2012	206.33	182.38	3.8087
2013	245.89	208.05	4.7035
2014	264.22	233.90	4.5611
2015	292.55	257.94	4.5021
Exempt Shares 2 (Net Accumulation)	Pence	Pence	Pence
2011	185.52	152.95	3.5749
2012	193.88	167.26	4.8940
2013	235.87	195.57	6.0667
2014	260.85	227.17	6.3550
2015	291.39	256.18	6.6408
Institutional Shares (Accumulation)	Pence	Pence	Pence
2011	177.15	146.01	3.0065
2012	184.47	159.36	4.2573
2013	223.85	186.06	5.2987
2014	246.98	215.54	5.4691
2015	275.58	242.50	5.6595
X Shares (Net Accumulation)	Pence	Pence	Pence
2011	190.69	157.36	4.9770
2012	201.51	173.10	6.3822
2013	247.01	203.29	7.8695
2014	274.93	238.05	8.5140
2015	308.13	270.18	9.0985
P Shares (Net Income)**	Pence	Pence	Pence
2012 (from 25 June)	111.47	99.50	0.0220
2013 (to 23 September)	133.18	112.44	3.1992
**P Shares (Net Income) share class closed 23 September 2013.			
Institutional Shares W (Net Income)	Pence	Pence	Pence
2012 (from 5 September)	104.61	99.78	n/a
2013	125.12	105.52	3.2522
2014	134.59	118.54	3.3368
2015	148.94	130.95	3.3951
Institutional Shares W (Net Accumulation)	Pence	Pence	Pence
2012 (from 5 September)	104.61	99.78	n/a
2013	127.27	105.53	3.2358
2014	140.75	122.58	3.4315
2015	157.23	138.23	3.5834
Retail Advised Shares B (Net Income)	Pence	Pence	Pence
2012 (from 27 September)	102.71	98.00	n/a
2013	122.68	103.60	2.7529
2014	132.03	116.52	2.8847
2015	146.12	128.61	2.9067

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Retail Advised Shares B (Net Accumulation)	Pence	Pence	Pence
2012 (from 27 September)	102.71	98.00	n/a
2013	124.55	103.60	2.7544
2014	137.33	119.92	2.8232
2015	153.19	134.83	3.0647
X Shares (Net Income)***	Pence	Pence	Pence
2013 (from 18 November)	101.89	97.37	n/a
2014 (to 13 February)	103.43	98.20	n/a

***X Shares (Net Income) share class closed 14 February 2014.

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	241,263,469	223.20	108,092,282
30/06/2014	227,077,475	250.93	90,493,945
30/06/2015	220,843,723	272.75	80,967,935
Exempt Shares 2 (Net Accumulation)		Pence	
30/06/2013	25,102,335	215.10	11,670,041
30/06/2014	29,151,981	248.24	11,743,263
30/06/2015	30,732,442	276.45	11,116,910
Institutional Shares (Accumulation)		Pence	
30/06/2013	9,131,506	204.40	4,467,559
30/06/2014	9,663,318	235.30	4,106,842
30/06/2015	9,177,440	261.37	3,511,331
X Shares (Net Accumulation)		Pence	
30/06/2013	53,857,583	224.41	24,000,124
30/06/2014	81,215,934	260.93	31,125,323
30/06/2015	85,350,243	292.65	29,164,246
P Shares (Net Income)**		Pence	
30/06/2013	16,888	120.31	14,037

**P Shares (Net Income) share class closed 23 September 2013.

Institutional Shares W (Net Income)		Pence	
30/06/2013	2,202,874	112.82	1,952,497
30/06/2014	20,804,584	126.87	16,397,931
30/06/2015	29,457,383	137.91	21,359,259
Institutional Shares W (Net Accumulation)		Pence	
30/06/2013	602,820	116.07	519,375
30/06/2014	3,026,643	133.95	2,259,561
30/06/2015	9,249,365	149.17	6,200,705

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Retail Advised Shares B (Net Income)		Pence	
30/06/2013	9,646,241	111.01	8,689,619
30/06/2014	5,344,424	124.82	4,281,663
30/06/2015	3,026,224	135.66	2,230,673
Retail Advised Shares B (Net Accumulation)		Pence	
30/06/2013	5,689	113.77	5,001
30/06/2014	7,772	130.86	5,939
30/06/2015	205,299	145.28	141,315

Ongoing Charges Share Class	30/06/2015 %	30/06/2014 %
Sterling Income Shares	1.62	1.62
Exempt Shares 2 (Net Accumulation)	0.80	0.80
Institutional Shares (Accumulation)	1.05	1.05
X Shares (Net Accumulation)	0.05	0.05
Institutional Shares W (Net Income)	0.80	0.80
Institutional Shares W (Net Accumulation)	0.80	0.80
Retail Advised Shares B (Net Income)	1.12	1.12
Retail Advised Shares B (Net Accumulation)	1.12	1.12

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
United Kingdom 90.53% (93.17%)			
Oil & Gas Equipment, Services & Distributions 1.89% (2.37%)			
John Wood	1,136,366	7,323,879	1.89
Aerospace & Defence 0.92% (3.50%)			
Meggitt	765,975	3,572,507	0.92
Support Services 12.52% (9.24%)			
Berendsen	608,507	6,194,601	1.60
Bunzl	549,066	9,542,767	2.46
Capita	1,611,777	19,937,682	5.14
Intertek	230,482	5,644,504	1.45
RPS	1,745,904	3,932,649	1.01
Wolseley	82,229	3,340,964	0.86
Beverages 5.32% (4.09%)			
Diageo	1,121,129	20,639,985	5.32
Food Producers 2.05% (3.56%)			
Associated British Foods	276,803	7,947,014	2.05
Household Goods & Home Construction 2.83% (0.00%)			
Reckitt Benckiser	199,943	10,968,873	2.83
Tobacco 7.48% (4.48%)			
British American Tobacco	523,196	17,864,527	4.60
Imperial Tobacco	364,530	11,176,490	2.88
Pharmaceuticals & Biotechnology 4.02% (6.13%)			
AstraZeneca	388,058	15,596,051	4.02
General Retailers 5.76% (3.80%)			
Just Eat	1,207,295	4,910,069	1.27
Next	53,789	4,004,591	1.03
Sports Direct International	1,866,217	13,408,769	3.46
Media 8.63% (5.48%)			
Daily Mail & General Trust class 'A' shares	423,148	3,931,045	1.01
Moneysupermarket.com	4,608,636	13,365,044	3.44
Reed Elsevier	1,566,190	16,210,067	4.18
Travel & Leisure 13.52% (14.44%)			
Compass	1,060,337	11,165,349	2.88
Domino's Pizza	1,223,692	9,495,850	2.45
Playtech	2,462,924	20,097,460	5.18
Whitbread	236,543	11,697,051	3.01
Mobile Telecommunications 3.05% (0.00%)			
Vodafone	5,154,590	11,847,825	3.05
Electricity 2.47% (3.04%)			
SSE	623,120	9,571,123	2.47
Gas , Water & Multiutilities 5.21% (4.39%)			
Centrica	5,448,701	14,373,673	3.70
National Grid	716,806	5,857,739	1.51

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Nonlife Insurance 2.02% (3.10%)			
Admiral	564,183	7,819,576	2.02
Life Insurance 2.35% (6.80%)			
Prudential	595,331	9,123,448	2.35
Financial Services 6.10% (6.40%)			
Intermediate Capital	1,618,640	8,878,240	2.29
Standard Life	2,317,898	10,291,467	2.65
VPC Specialty Lending Investments	4,407,437	4,495,586	1.16
Equity Investment Instruments 1.02% (0.00%)			
P2P Global Investments Fund	379,902	3,969,976	1.02
Software & Computer Services 1.50% (0.00%)			
Sophos	2,493,939	5,835,817	1.50
Technology Hardware & Equipment 1.87% (1.79%)			
Imagination Technologies	3,286,807	7,272,061	1.87
Overseas Equities 8.49% (5.88%)			
Gibraltar 2.21% (0.00%)			
Bwin.Party Digital Entertainment	8,766,633	8,578,150	2.21
Switzerland 1.99% (4.60%)			
Novartis	122,968	7,709,553	1.99
United States of America 4.29% (1.28%)			
Discovery Communications class 'A' shares	387,293	8,188,143	2.11
Emerson Electric	94,369	3,325,447	0.86
TripAdvisor	92,706	5,136,645	1.32
Portfolio of investments		384,242,257	99.02
Net current assets		3,799,862	0.98
Total Net Assets		388,042,119	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Chemicals, Mining, Food & Drug Retailers, Fixed Line Telecommunications and Real Estate Investment Trusts portfolio categories, which, at 30 June 2014, represented 1.32%, 2.15%, 3.64%, 1.50% and

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		30,606,650		43,512,957
Revenue	2	12,931,793		13,720,993	
Expenses	3	(4,369,513)		(4,483,932)	
Finance costs: Interest	5	(436)		-	
Net revenue before taxation		8,561,844		9,237,061	
Taxation	4	(448,523)		(243,256)	
Net revenue after taxation			8,113,321		8,993,805
Total return before distributions			38,719,971		52,506,762
Finance costs: Distributions	5		(8,159,356)		(9,050,605)
Change in net assets attributable to Shareholders from investment activities			30,560,615		43,456,157

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		376,292,131		341,829,405
Amounts receivable on issue of shares	39,756,856		97,990,366	
Amounts payable on cancellation of shares	(62,404,693)		(110,527,932)	
		(22,647,837)		(12,537,566)
Dilution adjustment		20,201		76,509
Stamp Duty Reserve Tax		-		(232,078)
Change in net assets attributable to Shareholders from investment activities (see above)		30,560,615		43,456,157
Retained distributions on accumulation shares		3,817,009		3,698,606
Unclaimed distributions		-		1,098
Closing net assets attributable to Shareholders		388,042,119		376,292,131

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			384,242,257		372,700,062
Debtors	7	3,005,988		8,040,186	
Cash and bank balances	8	12,652,801		5,441,608	
Total other assets			15,658,789		13,481,794
Total assets			399,901,046		386,181,856
LIABILITIES					
Creditors	9	(7,423,643)		(5,091,526)	
Distribution payable on income shares		(4,435,284)		(4,798,199)	
Total other liabilities			(11,858,927)		(9,889,725)
Total liabilities			(11,858,927)		(9,889,725)
Net assets attributable to Shareholders			388,042,119		376,292,131

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	5.0023	0.5002	4.5021	0.0000	4.5021	4.5611
Group 2	2.9259	0.2926	2.6333	1.8688	4.5021	4.5611
Exempt Shares 2 (Net Accumulation)						
Group 1	7.3787	0.7379	6.6408	0.0000	6.6408	6.3550
Group 2	1.5308	0.1531	1.3777	5.2631	6.6408	6.3550
Institutional Shares (Accumulation)						
Group 1	6.2883	0.6288	5.6595	0.0000	5.6595	5.4691
Group 2	4.5354	0.4535	4.0819	1.5776	5.6595	5.4691
X Shares (Net Accumulation)						
Group 1	10.1094	1.0109	9.0985	0.0000	9.0985	8.5140
Group 2	3.2370	0.3237	2.9133	6.1852	9.0985	8.5140
Institutional Shares W (Net Income)						
Group 1	3.7723	0.3772	3.3951	0.0000	3.3951	3.3368
Group 2	2.0454	0.2045	1.8409	1.5542	3.3951	3.3368
Institutional Shares W (Net Accumulation)						
Group 1	3.9816	0.3982	3.5834	0.0000	3.5834	3.4315
Group 2	2.0931	0.2093	1.8838	1.6996	3.5834	3.4315
Retail Advised Shares B (Net Income)						
Group 1	3.2297	0.3230	2.9067	0.0000	2.9067	2.8847
Group 2	2.0494	0.2049	1.8445	1.0622	2.9067	2.8847
Retail Advised Shares B (Net Accumulation)						
Group 1	3.4052	0.3405	3.0647	0.0000	3.0647	2.8232
Group 2	2.0869	0.2087	1.8782	1.1865	3.0647	2.8232

The distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015 £	30/06/2014 £
Gains on non-derivative securities	30,665,686	43,522,133
Currency exchange losses	(33,468)	(4,366)
Activity charges	(25,568)	(4,810)
Net capital gains	30,606,650	43,512,957

2 Revenue

	30/06/2015 £	30/06/2014 £
Bank interest	144	5,508
Overseas dividends	2,595,452	1,964,964
Property income distribution	49,933	80,954
Stock lending	26,135	8,720
UK dividends	10,260,129	11,660,847
Total revenue	12,931,793	13,720,993

3 Expenses

	30/06/2015 £	30/06/2014 £
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	4,038,822	4,136,179
Administration fees	276,659	290,834
Registrar's disbursement fees	-	3
Safe custody charges	10,396	9,671
	4,325,877	4,436,687
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	37,064	37,372
Distribution reconciliation service	-	212
	37,064	37,584
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,284	6,840
- Non-audit services (tax compliance fee)†	-	2,544
Financial Conduct Authority fee	288	277
	6,572	9,661
Total expenses	4,369,513	4,483,932

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,800 (2014: £5,700) and Nil (2014: £2,120) respectively.

Notes to the Financial Statements (continued)

4 Taxation

	30/06/2015	30/06/2014
	£	£
a) Analysis of tax charge in year:		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Overseas tax withheld	448,523	243,256
Total current tax charge (see note 4b)	<u>448,523</u>	<u>243,256</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net revenue before taxation	8,561,844	9,237,061
	<u>8,561,844</u>	<u>9,237,061</u>
Corporation tax @ 20%	1,712,369	1,847,412
Effects of:		
Dividends not subject to corporation tax	(2,254,617)	(2,738,060)
Excess management expenses	620,447	890,648
Overseas tax withheld	448,523	243,256
Overseas tax expensed	(78,199)	-
Total current tax charge (see note 4a)	<u>448,523</u>	<u>243,256</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £35,449,420 (30/06/14: £32,411,674), as it is unlikely that there will be sufficient taxable profits in future periods to utilise these expenses. The deferred tax asset not recognised is £7,089,884 (30/06/14: £6,482,335).

5 Finance costs

Distributions

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

	30/06/2015	30/06/2014
	£	£
Final dividend 30 June - Sterling Income Shares	3,645,275	4,127,520
Final dividend 30 June - Exempt Shares 2 (Net Accumulation)	738,251	746,284
Final dividend 30 June - Institutional Shares (Accumulation)	198,722	224,607
Final dividend 30 June - X Shares (Net Accumulation)	2,653,506	2,650,010
Final dividend 30 June - Institutional Shares W (Net Income)	725,171	547,166
Final dividend 30 June - Institutional Shares W (Net Accumulation)	222,199	77,537
Final dividend 30 June - Retail Advised Shares B (Net Income)	64,838	123,513
Final dividend 30 June - Retail Advised Shares B (Net Accumulation)	4,331	168
	<u>8,252,293</u>	<u>8,496,805</u>
Amounts added on issue of shares	(583,661)	(1,097,767)
Amounts deducted on cancellation of shares	490,724	1,651,567
Net distributions for the year	<u>8,159,356</u>	<u>9,050,605</u>
Interest	436	-
Total finance costs	<u>8,159,792</u>	<u>9,050,605</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net revenue after taxation	8,113,321	8,993,805
Equalisation on conversions	45,986	56,749
Undistributed revenue brought forward	49	100
Undistributed revenue carried forward	-	(49)
	<u>8,159,356</u>	<u>9,050,605</u>

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	1,165,783	1,761,047
Amount receivable for issue of shares	481,370	345,342
Income tax recoverable	12,898	12,898
Overseas tax recoverable	163,181	175,811
Sales awaiting settlement	1,182,756	5,745,088
	<u>3,005,988</u>	<u>8,040,186</u>

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	-	5,441,608
Cash held in BNY Mellon Sterling Liquidity Fund	12,652,801	-
	<u>12,652,801</u>	<u>5,441,608</u>

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	396,944	384,570
Amount payable for cancellation of shares	250,817	1,188,492
Purchases awaiting settlement	6,775,882	3,518,464
	<u>7,423,643</u>	<u>5,091,526</u>

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, and details of shares issued and cancelled by the ACD are shown in the Statement of Change in Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £159,086 (30/06/14: £1,218,077).

Notes to the Financial Statements (continued)

11 Financial instruments

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Derivative risk

The Fund may enter into derivative transactions in the pursuit of its investment objective. These may include, but are not limited to, forward foreign currency contracts, index options and index futures. Forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Index options and index futures may be used for various purposes, for example, managing market risk by "locking in" gains and/or protecting against future declines in value. Further details about the scope of the Fund's derivative usage can be found in the Prospectus.

Derivatives may be used for efficient portfolio management only.

As at the balance sheet date there are no derivative holdings (2014 - Nil).

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	359,882,470	3,636,681	363,519,151	353,996,627
Switzerland	7,709,553	163,181	7,872,734	17,485,048
United States of America	16,650,234	-	16,650,234	4,810,456
Total	384,242,257	3,799,862	388,042,119	376,292,131

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	260,530,542	211,857,638
Commissions	160,088	134,985
Taxes	934,033	812,829
Total purchase costs	1,094,121	947,814
Gross purchases total	261,624,663	212,805,452
Analysis of total sales proceeds:		
Sales before transaction costs	281,712,427	221,104,051
Commissions	(196,576)	(162,251)
Taxes	(984)	(338)
Total sales costs	(197,560)	(162,589)
Total sales net of transaction costs	281,514,867	220,941,462

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

Notes to the Financial Statements (continued)

14 Stock lending

As at 30 June 2015, £15,938,822 of investments was subject to stock lending agreements and the Fund held £17,098,893 in collateral. The collateral is held 49.00% in debt securities and 51.00% in equity securities.

As at 30 June 2014, £13,721,800 of investments were subject to stock lending agreements and the Fund held £14,763,921 in collateral. The collateral was held in debt securities.

Collateral accepted is non-cash in the form of Sovereign debt rated AA or better from approved Governments only, Supranational debt obligations rated AAA or better, and FTSE 100 DBV Equity baskets only.

The gross earnings and the fees for the year are £32,669 (30/06/14: £10,900) and £6,534 (30/06/14: £2,180).

15 Shareholders' funds

The Fund currently has eight share classes; Sterling Income Shares, Exempt Shares 2 (Net Accumulation), Institutional Shares (Accumulation), X Shares (Net Accumulation), Institutional Shares W (Net Income), Institutional Shares W (Net Accumulation), Retail Advised Shares B (Net Income) and Retail Advised Shares B (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Exempt Shares 2 (Net Accumulation)	0.75%	0.03%
Institutional Shares (Accumulation)	1.00%	0.03%
X Shares (Net Accumulation)	0.00%	0.03%
Institutional Shares W (Net Income)	0.75%	0.03%
Institutional Shares W (Net Accumulation)	0.75%	0.03%
Retail Advised Shares B (Net Income)	1.00%	0.10%
Retail Advised Shares B (Net Accumulation)	1.00%	0.10%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 661 to 662. The distribution is given in the distribution statement on page 667. All share classes have the same rights on winding up.

BNY MELLON INVESTMENT FUNDS – THE BOSTON COMPANY US OPPORTUNITIES FUND

**Annual Report
for the year ended
30 June 2015**

Fund Report

for the year ended 30 June 2015

General Information

Investment Adviser: The Boston Company Asset Management LLC

Fund Size: £87.74m

Comparative Index: S&P 500 TR

Sector: The Investment Association North America

Yield as at 30 June 2015:

Sterling Income Shares	0.00%
Euro Accumulation Shares	0.00%
Exempt Shares 1 (Net Accumulation)	0.47%
Institutional Shares (Net Accumulation)	0.00%
Institutional W (Net Income)	0.19%
Institutional W (Net Accumulation)	0.22%
Retail Advised B (Net Income)	0.00%
Retail Advised B (Net Accumulation)	0.00%
Institutional F (Net Income)	0.12%
Institutional F (Net Accumulation)	0.12%

Key Dates: Fund Launch 31 October 1986 (Managed by TBCAM since 30 January 2012)

Investment Objective

The objective of the Fund is to achieve capital growth from a portfolio of predominantly US securities.

Statutory Performance Data

From	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
To	30/06/2015	30/06/2014	30/06/2013	30/06/2012	30/06/2011
Sterling Income Shares*	17.04%	13.62%	21.16%	n/a	n/a
Euro Accumulation Shares*	16.05%	13.71%	20.02%	n/a	n/a
Exempt Shares 1 (Net Accumulation)*	18.29%	14.84%	22.44%	n/a	n/a
Institutional Shares (Net Accumulation)*	17.70%	14.27%	21.84%	n/a	n/a
Institutional W (Net Income)*	17.91%	14.55%	n/a	n/a	n/a
Institutional W (Net Accumulation)*	17.97%	14.55%	n/a	n/a	n/a
Retail Advised B (Net Income)*	17.59%	14.19%	n/a	n/a	n/a
Retail Advised B (Net Accumulation)*	17.61%	14.19%	n/a	n/a	n/a
Institutional F (Net Income)*	18.21%	n/a	n/a	n/a	n/a
Institutional F (Net Accumulation)*	18.22%	n/a	n/a	n/a	n/a
S&P 500 TR	16.79%	10.53%	24.71%	7.94%	21.79%

Source: Lipper as at 30 June 2015 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

* Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

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.

Fund Report (continued)

Portfolio Summary

Over the one-year period under review, the Sterling Income Share Class of the Fund returned 17.04% against 16.79% for the Standard & Poor's 500 Index TR.

Global equities produced mixed returns for the final six months of 2014, as investors digested a medley of economic data, increasing market fluctuations and rising geopolitical risk. Performance then rebounded through to the end of the period under review, bolstered by accommodative monetary policies from major central banks and signs of stability in some troubled economies.

In this environment, the Fund generated a solid return outperforming the comparative index over the 12-month period. At the sector level, the financials sector delivered the strongest relative performance, as expectations for business fundamentals improved. Also enhancing the Fund's relative results was the healthcare sector, fuelled by holdings in the pharmaceuticals and biotechnology industries. Conversely, the cyclical consumer discretionary (non-essential goods and services sector) – where prices are often affected by ups and downs in the overall economy – detracted, primarily because of exposure to the textiles, apparel & luxury goods industry. In addition, disappointing stock selection in materials weighed on the cyclical sector's relative returns, as positions were not immune to the downward pressure on commodities.

The transitory impact of severe weather at the beginning of 2015 has given way to a healthy recovery in many areas of the US economy, with residential construction and automobile-related spending at the forefront. New job creation and lower energy prices have boosted consumer confidence, lowered the unemployment rate and allowed the first signs of wage inflation to begin. The outlook for the second half calls for a continuation of these trends, along with higher levels of business and technology spending.

During the period, the Fund initiated positions in Amazon.com, Amphenol, Apple, Bristol-Myers Squibb, CBS, Charles Schwab, Citigroup, Eli Lilly, Fidelity National Financial, First Republic Bank, Flamel Technologies, Fortinet, Halliburton, Honeywell International, Infoblox, Intercontinental Exchange, Jazz Pharmaceuticals, Martin Marietta Materials, McKesson, Mondelez International, Mosaic, Oracle, Signature Bank, Ulta Salon, Cosmetics & Fragrance, Valspar, Veeco Instruments, VMware and Wells Fargo.

Positions were eliminated in Agilent Technologies, AmerisourceBergen, Applied Micro Circuits, Arrow Electronics, Comerica, Consol Energy, Danaher, Dealertrack Technologies, Discover Financial Services, EMC, Facebook, Forest Laboratories, Gilead Sciences, Google, Hartford Financial Services Group, HCA Holdings, Illumina, Invesco, Isis Pharmaceuticals, JDS Uniphase, Juniper Networks, Las Vegas Sands, LIN Media, Michael Kors, Microsoft, MSC Industrial Direct, Perrigo, Philip Morris International, Raymond James Financial, TD Ameritrade, Valero Energy, Viacom, Xilinx and Yamana Gold.

The table below shows the top ten purchases and sales for the year.

Purchases	Sales
Apple	E Trade Financial
Charles Schwab	Gilead Sciences
Wells Fargo	Discover Financial
Citigroup	Invesco
Intercontinental Exchange	Dealertrack Technologies
Phillips 66	Actavis
FNF	Realogy
Veeco Instruments	Microsoft
Jazz Pharmaceuticals	Phillips 66
Eli Lilly	HCA

Statistics

Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income Shares	Pence	Pence	Pence
2010	112.25	89.16	0.0000
2011	114.30	87.43	0.0000
2012	114.93	99.42	0.0000
2013	147.56	111.05	0.0000
2014	168.73	140.43	0.0000
2015	183.75	163.17	0.0000
Euro Accumulation Shares	Cents	Cents	Cents
2010	67.67	52.71	0.0000
2011	69.82	51.06	0.0000
2012	73.99	60.73	0.0000
2013	89.83	75.51	0.0000
2014	108.91	87.20	0.0000
2015	128.07	108.18	0.0000
Exempt Shares 1 (Net Accumulation)	Pence	Pence	Pence
2010	106.21	83.55	0.5113
2011	108.33	83.32	0.5282
2012	110.74	95.10	0.6769
2013	144.11	107.33	0.8170
2014	166.59	137.70	0.7051
2015	181.83	161.18	0.8140
Institutional Shares (Net Accumulation)	Pence	Pence	Pence
2012 (from 24 April)	106.55	95.73	0.0719
2013	137.78	103.12	0.2430
2014	158.46	131.41	0.0047
2015	172.78	153.28	0.0000
Institutional W (Net Income)	Pence	Pence	Pence
2012 (from 30 August)	101.66	95.42	0.0000
2013	122.33	98.45	0.4652
2014	150.98	125.38	0.3247
2015	164.71	146.06	0.3033
Institutional W (Net Accumulation)	Pence	Pence	Pence
2012 (from 30 August)	101.66	95.42	0.0000
2013	122.33	98.45	0.4003
2014	152.04	125.88	0.3250
2015	165.85	147.07	0.3532
Retail Advised B (Net Income)	Pence	Pence	Pence
2012 (from 24 September)	100.38	94.24	0.0000
2013	129.60	97.20	0.1614
2014	148.93	123.58	0.0000
2015	162.37	144.06	0.0000
Retail Advised B (Net Accumulation)	Pence	Pence	Pence
2012 (from 24 September)	100.38	94.25	0.0000
2013	129.79	97.20	0.1661
2014	149.15	123.76	0.0000
2015	162.60	144.27	0.0000

*Distributions are shown in the year declared rather than paid.

Statistics (continued)**Price and Revenue Record by Share Class (continued)**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
Institutional F (Net Income)	Pence	Pence	Pence
2014 (from 7 May)	120.16	99.48	0.1198
2015	131.14	116.26	0.1459
Institutional F (Net Accumulation)	Pence	Pence	Pence
2014 (from 7 May)	118.12	98.03	0.0885
2015	128.92	114.29	0.1427

*Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Sterling Income Shares		Pence	
30/06/2013	40,220,623	130.81	30,746,965
30/06/2014	36,296,967	148.48	24,445,466
30/06/2015	38,814,457	174.97	22,183,153
Euro Accumulation Shares		Cents	
30/06/2013	1,227,356	77.33	1,851,959
30/06/2014	838,487	93.97	1,114,389
30/06/2015	1,046,616	124.55 **	1,186,154
**Euro/Sterling exchange rate at close of business 30 June 2015:		1.4115	
Exempt Shares 1 (Net Accumulation)		Pence	
30/06/2013	996,227	127.09	783,848
30/06/2014	730,370	145.81	500,907
30/06/2015	984,336	173.67	566,789
Institutional Shares (Net Accumulation)		Pence	
30/06/2013	307,314	121.81	252,289
30/06/2014	484,918	139.05	348,731
30/06/2015	667,460	164.79	405,030
Institutional W (Net Income)		Pence	
30/06/2013	575,004	115.63	497,288
30/06/2014	11,221,112	132.40	8,475,346
30/06/2015	10,353,102	156.90	6,598,494
Institutional W (Net Accumulation)		Pence	
30/06/2013	29,404	116.52	25,236
30/06/2014	26,468,059	133.25	19,863,486
30/06/2015	34,932,047	158.31	22,064,932
Retail Advised B (Net Income)		Pence	
30/06/2013	2,443,432	114.69	2,130,386
30/06/2014	1,156,540	130.75	884,531
30/06/2015	114,191	154.82	73,757
Retail Advised B (Net Accumulation)		Pence	
30/06/2013	8,614	114.52	7,522
30/06/2014	9,847	130.93	7,521
30/06/2015	90,770	155.06	58,540

Statistics (continued)**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
Institutional F (Net Income)		Pence	
30/06/2014	2,589,281	105.20	2,461,275
30/06/2015	658,675	125.09	526,548
Institutional F (Net Accumulation)		Pence	
30/06/2014	645,448	103.42	624,093
30/06/2015	81,665	123.11	66,334

Ongoing Charges

Share Class	30/06/2015	30/06/2014
	%	%
Sterling Income Shares	1.68	1.68
Euro Accumulation Shares	2.18	2.18
Exempt Shares 1 (Net Accumulation)	0.61	0.63
Institutional Shares (Net Accumulation)	1.11	1.12
Institutional W (Net Income)	0.86	0.88
Institutional W (Net Accumulation)	0.86	0.88
Retail Advised B (Net Income)	1.19	1.18
Retail Advised B (Net Accumulation)	1.19	1.18
Institutional F (Net Income)	0.66	0.72
Institutional F (Net Accumulation)	0.66	0.72

The Ongoing 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 Fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months' history may be estimated based on other share class data.

Portfolio Statement

as at 30 June 2015

Investments	Holding	Market Value (£)	Total Net Assets (%)
Banks 13.20% (6.17%)			
Citigroup	94,845	3,330,159	3.80
First Republic Bank	41,148	1,648,850	1.88
Signature Bank	17,922	1,668,215	1.90
SVB Financial	28,458	2,604,232	2.97
Wells Fargo	65,081	2,328,134	2.65
Beverages 2.19% (1.97%)			
PepsiCo	32,332	1,918,910	2.19
Biotechnology 13.70% (7.70%)			
Biogen Idec	7,072	1,816,407	2.07
Bristol-Myers Squibb	42,801	1,809,796	2.06
Eli Lilly	52,771	2,800,114	3.19
Flamel Technologies	121,032	1,629,973	1.86
Jazz Pharmaceuticals	22,243	2,490,192	2.84
Vertex Pharmaceuticals	18,761	1,473,014	1.68
Chemicals 1.53% (0.00%)			
Mosaic	45,231	1,347,123	1.53
Construction & Materials 2.83% (0.00%)			
Martin Marietta Materials	11,933	1,073,568	1.22
Valspar	27,080	1,409,014	1.61
Electronic & Electrical Equipment 4.39% (2.80%)			
Amphenol class 'A' shares	46,490	1,713,334	1.95
Veeco Instruments	116,980	2,137,728	2.44
Industrial Engineering 2.16% (1.67%)			
Parker-Hannifin	25,606	1,894,033	2.16
Financial Services 15.11% (12.32%)			
Charles Schwab	177,646	3,683,497	4.20
E Trade Financial	118,477	2,254,732	2.57
FNF	95,090	2,235,313	2.54
Goldman Sachs	22,910	3,042,090	3.47
Intercontinental Exchange	14,379	2,044,530	2.33
Food & Drug Retailers 1.69% (0.00%)			
McKesson	10,358	1,480,627	1.69
Food Producers 2.52% (0.00%)			
Mondelez International	84,436	2,208,747	2.52
General Industrials 1.32% (0.00%)			
Honeywell International	17,882	1,159,197	1.32
General Retailers 3.60% (0.00%)			
Amazon	6,202	1,711,653	1.95
Ulta Salon Cosmet	14,725	1,446,190	1.65
Healthcare Equipment & Services 0.00% (1.65%)			
Teladoc	151	1,824	0.00
Internet 2.18% (3.52%)			
Google class 'C' shares	5,792	1,916,807	2.18
Manufacturers 2.78% (3.88%)			
Steelcase	202,797	2,435,834	2.78
Media 2.86% (4.33%)			
AMC Networks	28,127	1,463,849	1.67
CBS class 'B' shares	29,657	1,046,019	1.19

Portfolio Statement (continued)

Investments	Holding	Market Value (£)	Total Net Assets (%)
Non Equity Investment Instruments 6.81% (5.43%)			
iShares Russell 1000 ETF	23,660	1,745,277	1.99
iShares Russell 3000 ETF	10,829	853,816	0.97
SPDR Trust Series 1	12,765	1,671,130	1.90
Vanguard S&P 500 ETF	14,246	1,710,118	1.95
Oil & Gas Services 1.55% (2.42%)			
Halliburton	49,583	1,357,566	1.55
Real Estate 1.39% (2.24%)			
Realogy	40,968	1,216,510	1.39
Semiconductors 1.29% (5.07%)			
Mellanox Technologies	36,704	1,134,004	1.29
Software 10.00% (2.56%)			
Fortinet	100,386	2,637,470	3.01
Infoblox	162,111	2,701,678	3.08
Oracle	76,474	1,959,625	2.23
VMware	27,023	1,472,888	1.68
Technology, Hardware & Equipment 3.94% (1.25%)			
Apple	43,411	3,461,949	3.94
Telecommunications 1.48% (7.11%)			
Ciena	86,329	1,299,848	1.48
Transportation 1.29% (2.14%)			
Kirby	23,296	1,135,249	1.29
Portfolio of investments		87,580,833	99.81
Net current assets		162,486	0.19
Total Net Assets		87,743,319	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014

During the year ended 30 June 2015, the Fund disposed of its holdings in the Agriculture, Apparel, Computers, Diversified Financial Services, Lodging, Mining, Non-Life Insurance, Pharmaceuticals, Pharmaceuticals & Biotechnology, Retail & Support Services portfolio categories, which, at 30 June 2014, represented 1.91%, 1.34%, 1.33%, 3.14%, 1.46%, 5.70%, 1.74%, 1.54%, 3.50%, 1.70% & 1.72% respectively of the Total Net Assets of the Fund.

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

Financial Statements

Statement of Total Return

for the year ended 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
Income					
Net capital gains	1		18,079,431		7,813,799
Revenue	2	940,067		657,395	
Expenses	3	(1,109,312)		(844,292)	
Finance costs: Interest	5	(19)		(101)	
Net expenses before taxation		(169,264)		(186,998)	
Taxation	4	(126,084)		(56,522)	
Net expenses after taxation			(295,348)		(243,520)
Total return before distributions			17,784,083		7,570,279
Finance costs: Distributions	5		(135,497)		23,344
Change in net assets attributable to Shareholders from investment activities			17,648,586		7,593,623

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2015

	£	30/06/2015 £	£	30/06/2014 £
Opening net assets attributable to Shareholders		80,441,029		45,807,974
Amounts receivable on issue of shares	73,964,079		68,879,651	
Amounts payable on cancellation of shares	(84,399,803)		(41,942,749)	
		(10,435,724)		26,936,902
Dilution adjustment		6,794		33,862
Change in net assets attributable to Shareholders from investment activities (see above)		17,648,586		7,593,623
Retained distributions on accumulation shares		82,634		68,668
Closing net assets attributable to Shareholders		87,743,319		80,441,029

Financial Statements (continued)**Balance Sheet**

as at 30 June 2015

	Notes	£	30/06/2015 £	£	30/06/2014 £
ASSETS					
Investment assets			87,580,833		79,883,813
Debtors	7	5,643,384		1,646,136	
Cash and bank balances	8	366,111		259,866	
Total other assets			6,009,495		1,906,002
Total assets			93,590,328		81,789,815
LIABILITIES					
Creditors	9	(5,826,231)		(1,318,315)	
Distribution payable on income shares		(20,778)		(30,471)	
Total other liabilities			(5,847,009)		(1,348,786)
Total liabilities			(5,847,009)		(1,348,786)
Net assets attributable to Shareholders			87,743,319		80,441,029

Distribution Statement

for the year ended 30 June 2015

Final dividend distribution in pence per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Sterling Income Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Exempt Shares 1 (Net Accumulation)						
Group 1	0.9044	0.0904	0.8140	0.0000	0.8140	0.7051
Group 2	0.6239	0.0624	0.5615	0.2525	0.8140	0.7051
Institutional Shares (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0047
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0047
Institutional W (Net Income)						
Group 1	0.3370	0.0337	0.3033	0.0000	0.3033	0.3247
Group 2	0.3370	0.0337	0.3033	0.0000	0.3033	0.3247
Institutional W (Net Accumulation)						
Group 1	0.3924	0.0392	0.3532	0.0000	0.3532	0.3250
Group 2	0.2398	0.0240	0.2158	0.1374	0.3532	0.3250
Retail Advised B (Net Income)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Retail Advised B (Net Accumulation)						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Institutional F (Net Income)						
Group 1	0.1621	0.0162	0.1459	0.0000	0.1459	0.1198
Group 2	0.1621	0.0162	0.1459	0.0000	0.1459	0.1198
Institutional F (Net Accumulation)						
Group 1	0.1586	0.0159	0.1427	0.0000	0.1427	0.0885
Group 2	0.1586	0.0159	0.1427	0.0000	0.1427	0.0885

Final dividend distribution in cents per Share

						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 30 June 2015
	Gross Revenue	Tax Credit @10%	Net Revenue	Equalisation	Amount Payable	Prior Period 30/06/2014
Euro Accumulation Shares						
Group 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

As the Fund pays no corporation tax, the distributions of all Share Classes are 100% franked.

Notes to the Financial Statements

1 Net capital gains

The net capital gains on investments during the year comprise:	30/06/2015	30/06/2014
	£	£
Gains on non-derivative securities	17,995,699	7,910,769
Currency exchange gains/(losses)	130,462	(41,417)
Activity charges	(46,730)	(28,630)
Corporation tax on Offshore Funds	-	(26,923)
Net capital gains	18,079,431	7,813,799

2 Revenue

	30/06/2015	30/06/2014
	£	£
Bank interest	1,547	169
Overseas dividends	930,013	657,203
Stock dividends	7,803	-
Stock lending	704	23
Total revenue	940,067	657,395

3 Expenses

	30/06/2015	30/06/2014
	£	£
Payable to the ACD or Associate of the ACD:		
ACD's periodic charge	1,018,629	770,791
Administration fees	57,429	48,250
Registrar's disbursement fees	-	1,104
Safe custody charges	6,451	3,501
	1,082,509	823,646
Payable to the Depositary or Associate of the Depositary:		
Depositary's fees	20,283	15,510
Distribution reconciliation service	-	85
	20,283	15,595
Other expenses:		
Auditor's remuneration:		
- Audit services (audit fee)†	6,243	4,463
- Non-audit services (tax compliance fee)†	-	300
Financial Conduct Authority fee	277	288
	6,520	5,051
Total expenses	1,109,312	844,292

† The Audit services (audit fee) and Non-audit services (tax compliance fee) net of VAT for 2015 are £5,100 (2014: £5,050) and £Nil (2014: £250) respectively.

Notes to the Financial Statements (continued)**4 Taxation**

	30/06/2015 £	30/06/2014 £
a) Analysis of tax charge in year:		
Corporation tax	-	(26,923)
	<u>-</u>	<u>(26,923)</u>
Overseas tax withheld	126,084	83,445
Total current tax charge (see note 4b)	<u>126,084</u>	<u>56,522</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an ICVC (20%) (2014: 20%).

The differences are explained below:

Net expenses before taxation	<u>(169,264)</u>	<u>(186,998)</u>
Corporation tax @ 20%	(33,853)	(37,400)
Effects of:		
Corporation tax on offshore funds paid from capital	203,351	-
Dividends not subject to corporation tax	(187,564)	(131,441)
Excess management expenses	18,066	126,445
Movement in revenue accruals taxable on receipt	-	15,473
Overseas tax withheld	126,084	83,445
Total current tax charge (see note 4a)	<u>126,084</u>	<u>56,522</u>

c) Deferred tax

No deferred tax asset has been recognised in the accounts in relation to excess management expenses of £4,623,955 (30/06/14: £4,533,619), as it is unlikely that there will be sufficient taxable profits in the future to utilise these expenses. The deferred tax asset not recognised is £924,791 (30/06/14: £906,725).

5 Finance costs**Distributions**

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

	30/06/2015 £	30/06/2014 £
Final dividend 30 June - Exempt Shares 1 (Net Accumulation)	4,614	3,532
Final dividend 30 June - Institutional Shares (Net Accumulation)	-	16
Final dividend 30 June - Institutional W (Net Income)	20,010	27,522
Final dividend 30 June - Institutional W (Net Accumulation)	77,925	64,567
Final dividend 30 June - Institutional F (Net Income)	768	2,949
Final dividend 30 June - Institutional F (Net Accumulation)	95	553
	<u>103,412</u>	<u>99,139</u>
Amounts added on issue of shares	(176,389)	(126,189)
Amounts deducted on cancellation of shares	208,474	3,706
Net distributions for the year	<u>135,497</u>	<u>(23,344)</u>
Interest	19	101
Total finance costs	<u>135,516</u>	<u>(23,243)</u>

Notes to the Financial Statements (continued)**6 Net movement between revenue/(expense) after taxation and distributions**

	30/06/2015	30/06/2014
	£	£
Net expenses after taxation	(295,348)	(243,520)
Corporation tax on offshore funds paid from capital	203,351	-
Equalisation on conversions	7,054	12,301
Transfer from capital for distribution deficit on Sterling Income share class	209,650	199,193
Transfer from capital for distribution deficit on Institutional Accumulation share class	2	-
Transfer from capital for distribution deficit on Euro Accumulation share class	10,641	7,931
Transfer from capital for distribution deficit on Retail Advised B Net Income	83	7
Transfer from capital for distribution deficit on Retail Advised B Net Accumulation	64	744
	135,497	(23,344)

7 Debtors

	30/06/2015	30/06/2014
	£	£
Accrued revenue	20,913	59,102
Amount receivable for issue of shares	2,395,219	986,380
Amounts receivable on open currency contracts	116,767	587,615
Overseas tax recoverable	6,800	6,253
Sales awaiting settlement	3,103,685	6,786
	5,643,384	1,646,136

8 Cash & bank balances

	30/06/2015	30/06/2014
	£	£
Cash held at bank	366,111	259,866
	366,111	259,866

9 Creditors

	30/06/2015	30/06/2014
	£	£
Accrued expenses	101,785	95,718
Amount payable for cancellation of shares	3,408,450	27,534
Amounts payable on open currency contracts	116,917	588,938
Purchases awaiting settlement	2,199,079	606,125
	5,826,231	1,318,315

10 Related party transactions

ACD's periodic charge, administration fees, registrar's disbursement fees, safe custody charges and activity charges paid to the ACD, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 1, 2, 3 and 5, details of shares issued and cancelled by the ACD are shown in the Statement of Change Net Assets Attributable to Shareholders and Note 5. The balance due from the ACD at 30 June 2015 in respect of these transactions was £1,102,159 (30/06/14: £880,061 due from the ACD).

Notes to the Financial Statements (continued)**11 Financial instruments****Interest rate risk**

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Foreign currency risk

	30/06/2015	30/06/2015	30/06/2015	30/06/2014
	Investments	Net Current Assets	Total	Total
	£	£	£	£
United Kingdom	-	(1,038,107)	(1,038,107)	465,560
Canada	-	3,136	3,136	-
Europe	-	224,637	224,637	8,497
United States of America	87,580,833	972,820	88,553,653	79,966,972
Total	87,580,833	162,486	87,743,319	80,441,029

12 Portfolio transaction costs

	30/06/2015	30/06/2014
	£	£
Analysis of total purchase costs:		
Purchases before transaction costs	214,723,633	137,682,030
Commissions	75,906	55,850
Taxes	-	-
Total purchase costs	75,906	55,850
Gross purchases total	214,799,539	137,737,880
Analysis of total sales proceeds:		
Sales before transaction costs	225,202,045	111,216,532
Commissions	(85,726)	(26,146)
Taxes	(4,576)	(2,082)
Total sales costs	(90,302)	(28,228)
Total sales net of transaction costs	225,111,743	111,188,304

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (30/06/14: nil).

14 Stock lending

As at 30 June 2015, £9,153,489 of investments were subject to stock lending agreements and the Fund held £10,021,511 in collateral (30/06/14: nil). The collateral is held 70.63% in equity and 29.37% in debt securities .

The gross earnings and the fees for the year are £880 (30/06/14: £23) and £176 (30/06/14: nil).

Notes to the Financial Statements (continued)

15 Shareholders' funds

The Fund currently has ten share classes; Sterling Income Shares, Euro Accumulation Shares, Exempt Shares 1 (Net Accumulation), Institutional Shares (Net Accumulation), Institutional W (Net Income), Institutional W (Net Accumulation), Retail Advised B (Net Income), Retail Advised B (Net Accumulation), Institutional F (Net Income) and Institutional F (Net Accumulation). Each share class suffers a different annual ACD charge and Administration fee which is payable to the ACD and is shown below:

	ACD charge	Administration fee
Sterling Income Shares	1.50%	0.10%
Euro Accumulation Shares	2.00%	0.10%
Exempt Shares 1 (Net Accumulation)	0.50%	0.03%
Institutional Shares (Net Accumulation)	1.00%	0.03%
Institutional W (Net Income)	0.75%	0.03%
Institutional W (Net Accumulation)	0.75%	0.03%
Retail Advised B (Net Income)	1.00%	0.10%
Retail Advised B (Net Accumulation)	1.00%	0.10%
Institutional F (Net Income)	0.55%	0.03%
Institutional F (Net Accumulation)	0.55%	0.03%

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

The net asset value, the net asset value per share and the number of shares in issue are shown on pages 677 to 678. The distribution is given in the distribution statement on page 683. All share classes have the same rights on winding up.

Statement of the Authorised Corporate Director's Responsibilities and Directors' Statement

Statement of the Authorised Corporate Director's Responsibilities

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') requires the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period, which give a true and fair view of the financial position of the Company as at the end of the year, and of the net revenue and expenses and the net gains or losses on the property of the Company for the year then ended.

In preparing the financial statements the ACD 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 Prospectus;
- comply with applicable accounting standards;
- keep proper accounting records that enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Regulations.

The ACD 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.

D M Turnbull

Director

BNY Mellon Fund Managers Limited

17 September 2015

Statement of the Depositary's Responsibilities and report of the Depositary to the shareholders of BNY Mellon Investment Funds ('the Company') for the year ended 30 June 2015.

The Depositary is responsible for the safekeeping of all custodial assets of the Company which is entrusted to it, for verifying ownership and maintaining a record of all other assets of the Company, and for the collection of revenue that arises from those assets.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's ('FCA') Collective Investment Schemes Sourcebook ('COLL'), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ('the OEIC Regulations') and the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of the revenue of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company.

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh**

17 September 2015

Independent Auditor's Report to the Members of BNY Mellon Investment Funds

We have audited the financial statements of BNY Mellon Investment Funds ("the Company") for the year ended 30 June 2015 which comprise the Aggregated Statement of Total Return, Aggregated Statement of Change in Net Assets Attributable to Shareholders, Aggregated Balance Sheet and the related notes 1 to 16 together with the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, Distribution Statements and the related notes for each Sub-Fund. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements for the Newton European Higher Income Fund are being prepared on a break up basis as disclosed in note 1a.

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director (ACD) and Auditor

As explained more fully in the ACD's responsibilities statement set out on page 689, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company and of its Sub-Funds as at 30 June 2015 and of the net revenue and the net gains on the scheme property of the Company and its Sub-Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

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 Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Ernst & Young LLP
Statutory Auditor
Edinburgh

17 September 2015

Investor Information

BNY Mellon Investment Funds (the “Company”) is an open-ended investment company with variable capital, incorporated in England and Wales under registered number IC 27 and authorised by the Financial Conduct Authority, with effect from 13 April 1999. BNY Mellon Fund Managers Limited is the authorised corporate director (the “ACD”). The FCA registered number for the ACD is 122007.

The Company has been established as an “umbrella company” with different sub-funds. The assets of each sub-fund of the Company are treated as separate from those of every other sub-fund and will be invested in accordance with that sub-fund’s own investment objective and policy. For the avoidance of doubt, and as at the date of this annual report, the Company is a UK protected cell company under the Open-Ended Investment Companies Regulations 2001, as amended (“OEIC Regulations”).

As an umbrella company, the sub-funds of the Company are segregated portfolios of assets and, accordingly, the assets of each sub-fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub-fund, and shall not be available for any such purpose. Any liability incurred on behalf of or attributable to any sub-fund shall be discharged solely out of the assets of that sub-fund.

While provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the relevant OEIC Regulations. There remains a possibility that a creditor might seek to attach or seize assets of one sub-fund in satisfaction of an obligation owed in relation to another sub-fund in a jurisdiction which would not recognize the principle of segregation of liability between sub-funds.

Each sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that sub-fund and within the sub-funds charges will be allocated between share classes in accordance with the terms of issue of those share classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular sub-fund may be allocated by the ACD in a manner which is fair to shareholders as a whole but they will normally be allocated to all sub-funds pro rata to the value of the net assets of the relevant funds. If there is any such re-allocation the ACD will advise shareholders of it in the next succeeding annual or half-yearly report to shareholders.

Shareholders are not, however, liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after he has paid the purchase price of the Shares.

Significant Events

The following additions and amendments have been made:-

Additions:-

2000 – launched the following Sub-Funds/share classes: Newton Global Innovation Fund (24 March); Newton European High Yield Bond Fund (02 October) and A Share Class of Newton Intrepid Fund (27 October).

2002 – launched the following Sub-Funds: Newton UK Opportunities Fund (08 February);

2004 – launched the following Sub-Funds/share classes: Newton American Fund – Exempt 1 Net Acc. (02 August), Newton Income Fund – Exempt 2 Net Acc. (14 September), Newton Absolute Intrepid Fund - Exempt 2 Net Acc. (28 October), Newton UK Equity Fund – Exempt 2 Net Acc. (14 November).

2005 – launched the following Sub-Funds/share classes: Newton Higher Income Fund – Exempt 2 Net Acc. (26 January) and Institutional Net Acc. (11 April), Newton Overseas Equity Fund – Exempt 2 Net Acc. (26 January), Newton UK Opportunities Fund – Exempt 2 Net Acc. (31 January) and Institutional Net Acc. (25 May), Newton Income Fund – Institutional Net Acc. (11 April), Newton Global Balanced Fund – Exempt 2 Net Acc. (14 April), Newton Long Corporate Bond Fund – Exempt 2 Gross Acc. (6 May), Newton Global Opportunities Fund (01 July), Newton 60/40 Global Equity Fund – Exempt 2 Net Acc. (3 November), Newton Global Higher Income Fund (30 November), Newton Asian Income Fund (30 November), Newton International Bond Fund – Institutional Net Acc. (7 December).

2006 – launched the following Sub-Funds/share classes: Newton Absolute Intrepid Fund – X Net Acc. (27 February), Newton International Growth Fund – Exempt 1 Net Acc. (02 February), Newton Global Dynamic Bond Fund – Sterling Inc. and Exempt 2 Gross Acc. (28 April), Newton Higher Income Fund – Institutional Net Inc. (2 May), Newton Balanced Fund – Institutional Net Acc. (5 June), Newton Managed Fund – Institutional Net Acc. (12 June), Newton Income Fund – Institutional Net Inc. (23 June), Newton Global Dynamic Bond Fund – Institutional Net Inc. (29 June), Newton Global Higher Income Fund – Exempt Shares 2 Net Inc. (4 August), Newton Long Corporate Bond Fund – Institutional Net Acc. (24 October), Newton Phoenix Multi-Asset Fund – Sterling Inc. and Sterling Acc. (27 November), Newton Global Opportunities Fund – X Net Acc. (12 December).

Investor Information (continued)

2007 – launched the following Sub-Funds/share classes: Newton Oriental Fund – Institutional Net Acc. (29 January) and X Net Acc. (3 July), Newton European Higher Income Fund – Sterling Inc. and Institutional Net Inc. launched (30 January) and Institutional Net Acc. (10 September), Newton Long Corporate Bond Fund – X Gross Acc. (2 April), Newton Long Gilt Fund – X Shares Gross Acc. (2 April), Newton Overseas Equity Fund – X Gross Acc. (16 April), Newton UK Equity Fund – X Net Acc. (16 April), Newton International Bond Fund – Institutional Net Inc. (27 April), and Exempt 2 Gross Acc. (18 May), Newton Higher Income Fund – X Net Acc. (2 July), Newton UK Opportunities Fund – X Gross Acc. (2 July), Mellon Long-Term Global Equity Fund (Walter Scott & Partners Limited act as Investment Advisers to this sub-fund) – Institutional Net Acc. and Exempt 2 Net Acc. (24 August) and Sterling Inc. (28 September), Newton International Growth Fund – X Net Acc. (10 September), Newton Global Higher Income Fund – X Net Acc. (1 October), Newton Index Linked Gilt Fund – X Gross Acc. (1 October), Newton Diversified Growth Fund – Institutional Acc. and Exempt 2 Net Acc. (14 December).

2008 – launched the following share classes: Newton European High Yield Bond Fund – X Net Acc. (19 March); Newton Global Dynamic Bond Fund – X Net Acc. (19 March); Newton Income Fund – X Net Acc. (19 March); Newton Phoenix Multi-Asset Fund – Exempt Shares 2 Net Acc. (1 February); Newton Strategic Corporate Bond Fund – X Net Acc. (19 March);

2009 – launched the following Sub-Funds/share classes: Newton International Growth Fund – Exempt 3 Net Acc. (2 February); Newton Growth Fund – Institutional Net Acc (3 March); Newton Asian Income Fund – X Net Inc (2 April); Newton European Higher Income Fund – X Net Inc. (2 April); Newton Higher Income Fund – X Net Inc. (2 April); BNY Mellon Global Strategic Bond Fund – Sterling Inc., Institutional Net Inc., Institutional Net Acc. (9 April); Newton Real Return Fund – Institutional Net Acc. (30 June); X Net Inc. (15 July); Newton International Bond Fund – X Net Acc. (29 June); Newton Real Return Fund X Shares Net Inc share class (15 July); Newton Real Return Fund Exempt 2 Net Inc share class (14 August); Newton Overseas Equity Fund – Exempt 3 Net Acc (22 September); Newton UK Equity Fund – Exempt 2 Net Acc reopened (15 October); Newton UK Equity Fund – X Shares Net Acc re-launched (14 December);

2010 – launched the following share classes: Newton Real Return Fund – P Net Acc (26 February); Newton Higher Income Fund – X Net Inc re-launched (8 October 2010); Newton Global Higher Income Fund – X Net Inc (8 October 2010); Newton Global Dynamic Bond Fund – X Net Inc (11 October 2010); Newton European Higher Income Fund – X Net Inc re-launched (12 November 2010); BNY Mellon Long-Term Global Equity Fund – X Net Acc (17 December 2010).

2011 – launched the following share classes: Newton Global Dynamic Bond Fund – X Gross Acc (18 February); Newton Global High Yield Bond Fund - X Net Inc (25 May); Newton Index Linked Gilt Fund – X Net Inc (25 May); Newton Income Fund – X Net Inc (25 May);

2012 – launched the following share classes: Newton Asian Income Fund – Euro Institutional Acc (30 January); Newton Real Return Fund – Sterling Exempt 1 Net Acc (29 February); Newton Asian Income Fund – Euro Acc (5 March); Newton Asian Income Fund – Euro Inc (5 March); Newton Asian Income Fund – Euro Institutional Inc (5 March); Newton Global Higher Income Fund – Sterling Acc (13 March); Newton UK Equity Fund – Sterling Exempt 1 Net Acc (30 March); Newton UK Equity Fund – Sterling Exempt 3 Net Acc (30 March); Newton Asian Income Fund – USD Institutional Inc (2 April); Newton Asian Income Fund – USD Institutional Acc (2 April); Newton Asian Income Fund – USD Inc (2 April); Newton Asian Income Fund – USD Acc (2 April); BNY Mellon American Fund – Sterling Institutional Acc (24 April); Newton Continental European Fund – P Net Inc (20 June); Newton Corporate Bond Fund – P Net Inc (20 June); Newton Global Balanced Fund – P Net Inc (21 June); Newton Global Dynamic Bond Fund – P Net Inc (21 June); Newton Global Equity Fund – P Net Inc (21 June); Newton International Bond Fund – P Net Inc (22 June); Newton Managed Fund – P Net Inc (22 June); Newton Oriental Fund – P Net Inc (22 June); Newton Real Return Fund – P Net Inc (25 June); Newton UK Opportunities Fund – P Net Inc (25 June); Newton Continental European Fund – Institutional W Net Inc (30 August); Newton Continental European Fund – Institutional W Net Acc (30 August); Newton Asian Income Fund – Institutional W Net Inc (30 August); Newton Asian Income Fund – Institutional W Net Acc (30 August); BNY Mellon Long-Term Global Equity Fund – Institutional W Net Inc (30 August); BNY Mellon Long-Term Global Equity Fund – Institutional W Net Acc (30 August); BNY Mellon Global Strategic Bond Fund – Institutional W Net Inc (30 August); BNY Mellon Global Strategic Bond Fund – Institutional W Net Acc (30 August); BNY Mellon American Fund – Institutional W Net Inc (30 August); BNY Mellon American Fund – Institutional W Net Acc (30 August); Newton Pan-European Fund – Institutional W Net Inc (31 August); Newton Pan-European Fund – Institutional W Net Acc (31 August); Newton Managed Fund – Institutional W Net Inc (31 August); Newton Managed Fund – Institutional W Net Acc (31 August); Newton Cautious Managed Fund – Institutional W Net Inc (31 August); Newton Cautious Managed Fund – Institutional W Net Acc (31 August); Newton Balanced Fund – Institutional W Net Inc (31 August); Newton Balanced Fund – Institutional W Net Acc (31 August); Newton Global High Yield Bond Fund – Institutional W Net Inc (3 September); Newton Global High Yield Bond Fund – Institutional W Net Acc (3 September); Newton Global Equity Fund – Institutional W Net Inc (3 September); Newton Global Equity Fund – Institutional W Net Acc (3 September); Newton Global Dynamic Bond Fund – Institutional W Net Inc (3 September); Newton Global Dynamic Bond Fund – Institutional W Net Acc (3 September); Newton European Higher Income Fund – Institutional W Net Inc (3 September); Newton European Higher Income Fund – Institutional W Net Acc (3 September); Newton Corporate Bond Fund – Institutional W Net Inc (3 September); Newton Corporate Bond Fund – Institutional W Net Acc (3 September); Newton Oriental Fund – Institutional W Net Inc (4 September); Newton Oriental Fund – Institutional W Net Acc (4 September); Newton International Bond Fund – Institutional W Net Inc (4 September); Newton International Bond Fund – Institutional W Net Acc (4 September); Newton Higher Income Fund – Institutional W Net Inc (4 September); Newton Higher Income Fund – Institutional W Net Acc (4 September); Newton Global Opportunities Fund – Institutional W Net Inc (4 September); Newton Global Opportunities Fund – Institutional W Net Acc (4 September); Newton Global Higher Income Fund – Institutional W Net Inc (4 September); Newton Global Higher Income Fund – Institutional W Net Acc (4 September); Newton UK Opportunities Fund – Institutional W Net Inc (5 September); Newton UK Opportunities Fund – Institutional W Net Acc (5 September); Newton UK Equity Fund – Institutional W Net Inc (5 September); Newton UK Equity Fund – Institutional W Net Acc (5 September); Newton Real Return Fund – Institutional W Net Inc (5 September); Newton Real Return Fund – Institutional W Net Acc (5 September); Newton Phoenix Multi-Asset Fund – Institutional W Net Inc (5 September); Newton Phoenix Multi-Asset Fund – Institutional W Net Acc (5 September); Newton European Higher Income Fund – P Net Inc (20 September); Newton Cautious Managed Fund – P Net Inc (20 September); Newton Asian Income Fund – P Net Inc (20 September);

Investor Information (continued)**2012 (continued)**

Newton UK Equity Fund – P Net Inc (21 September); Newton Higher Income Fund – P Net Inc (21 September); Newton Global Higher Income Fund – P Net Inc (21 September); Newton Global High Yield Bond Fund – P Net Inc (21 September); BNY Mellon Global Strategic Bond Fund – Retail Advised B Net Inc (24 September); BNY Mellon Global Strategic Bond Fund – Retail Advised B Net Acc (24 September); BNY Mellon American Fund – Retail Advised B Net Inc (24 September); BNY Mellon American Fund – Retail Advised B Net Acc (24 September); Newton Global Opportunities Fund – Retail Advised B Net Inc (25 September); Newton Global Opportunities Fund – Retail Advised B Net Acc (25 September); BNY Mellon Long-Term Global Equity Fund – Retail Advised B Net Inc (25 September); BNY Mellon Long-Term Global Equity Fund – Retail Advised B Net Acc (25 September); Newton Phoenix Multi-Asset Fund – Retail Advised B Net Inc (27 September); Newton Phoenix Multi-Asset Fund – Retail Advised B Net Acc (27 September); Newton Oriental Fund – Retail Advised B Net Inc (26 September); Newton Oriental Fund – Retail Advised B Net Acc (26 September); Newton UK Opportunities Fund – Retail Advised B Net Inc (27 September); Newton UK Opportunities Fund – Retail Advised B Net Acc (27 September); Newton Continental European Fund – Retail Advised B Net Inc (27 September); Newton Continental European Fund – Retail Advised B Net Acc (27 September); Newton Pan-European Fund – Retail Advised B Net Inc (28 September); Newton Pan-European Fund – Retail Advised B Net Acc (28 September); Newton Balanced Fund – Retail Advised B Net Inc (28 September); Newton Balanced Fund – Retail Advised B Net Acc (28 September); Newton Global Higher Income Fund – Retail Advised B Net Inc (1 October); Newton Global Higher Income Fund – Retail Advised B Net Acc (1 October); Newton Asian Income Fund – Retail Advised B Net Inc (1 October); Newton Asian Income Fund – Retail Advised B Net Acc (1 October); Newton Asian Income Fund – P Net Acc (1 October); Newton Global Dynamic Bond Fund – Retail Advised B Net Inc (2 October); Newton Global Dynamic Bond Fund – Retail Advised B Net Acc (2 October); Newton European Higher Income Fund – Retail Advised B Net Inc (2 October); Newton European Higher Income Fund – Retail Advised B Net Acc (2 October); Newton International Bond Fund – Retail Advised B Net Inc (3 October); Newton International Bond Fund – Retail Advised B Net Acc (3 October); Newton Higher Income Fund – Retail Advised B Net Inc (3 October); Newton Higher Income Fund – Retail Advised B Net Acc (3 October); Newton Global Higher Income Fund – P Net Acc (3 October); Newton Global Dynamic Bond Fund – P Net Acc (3 October); Newton Higher Income Fund – P Net Acc (4 October); Newton Global High Yield Bond Fund – Retail Advised B Net Inc (4 October); Newton Global High Yield Bond Fund – Retail Advised B Net Acc (4 October); Newton Emerging Income Fund – X Net Inc (4 October); Newton Emerging Income Fund – X Net Acc (4 October); Newton Emerging Income Fund – Institutional W Net Inc (4 October); Newton Emerging Income Fund – Sterling Acc (4 October); Newton Emerging Income Fund – Sterling Inc (4 October); Newton Corporate Bond Fund – Retail Advised B Net Inc (4 October); Newton Corporate Bond Fund – Retail Advised B Net Acc (4 October); Newton Real Return Fund – P Net Acc (5 October); Newton Oriental Fund – P Net Acc (5 October); Newton Managed Fund – Retail Advised B Net Inc (5 October); Newton Managed Fund – Retail Advised B Net Acc (5 October); Newton Cautious Managed Fund – Retail Advised B Net Inc (5 October); Newton Cautious Managed Fund – Retail Advised B Net Acc (5 October); Newton Real Return Fund – Retail Advised B Net Inc (8 October); Newton Real Return Fund – Retail Advised B Net Acc (8 October); Newton Global Equity Fund – Retail Advised B Net Inc (8 October); Newton Global Equity Fund – Retail Advised B Net Acc (8 October); Newton UK Equity Fund – Retail Advised B Net Inc (9 October); Newton UK Equity Fund – Retail Advised B Net Acc (9 October); Newton Corporate Bond Fund – P Net Acc (12 October); Newton Global High Yield Bond Fund – P Net Acc (15 October); Newton Emerging Income Fund – Institutional Inc (15 October); Newton Emerging Income Fund – Institutional Acc (15 October); Newton Emerging Income Fund – Institutional W Net Acc (15 October); Newton International Bond Fund – P Net Acc (16 October); Newton Emerging Income Fund – Retail Advised B Net Inc (23 October); Newton Emerging Income Fund – Retail Advised B Net Acc (23 October).

2013 – launched the following share classes: Insight Equity Income Booster Fund – Institutional W Net Acc (9 February); Insight Equity Income Booster Fund – Institutional W Net Inc (9 February); Insight Equity Income Booster Fund – Sterling Acc (9 February); Insight Equity Income Booster Fund – Sterling Inc (9 February); Insight Equity Income Booster Fund – X Net Acc (9 February); Insight Equity Income Fund – Institutional W Net Acc (9 February); Insight Equity Income Fund – Institutional W Net Inc (9 February); Insight Equity Income Fund – Sterling Acc (9 February); Insight Equity Income Fund – Sterling Inc (9 February); Insight Global Absolute Return Fund – Institutional Acc (9 February); Insight Global Absolute Return Fund – Sterling Acc (9 February); Insight Global Multi-Strategy Fund – Institutional Acc (9 February); Insight Global Multi-Strategy Fund – Institutional Inc (9 February); Insight Global Multi-Strategy Fund – S Net Acc (9 February); Insight Global Multi-Strategy Fund – S Net Inc (9 February); Insight Global Multi-Strategy Fund – Sterling Acc (9 February); Insight Global Multi-Strategy Fund – Sterling Inc (9 February); Insight Inflation-Linked Corporate Bond Fund – Institutional Acc (9 February); Insight Inflation-Linked Corporate Bond Fund – Institutional Inc (9 February); Insight Inflation-Linked Corporate Bond Fund – Sterling Acc (9 February); Insight Inflation-Linked Corporate Bond Fund – Sterling Inc (9 February); Insight Strategic Bond Fund – Sterling Acc (9 February); Insight Strategic Bond Fund – Sterling Inc (9 February); Insight Equity Income Booster Fund – Retail Advised B Net Acc (11 February); Insight Equity Income Booster Fund – Retail Advised B Net Inc (11 February); Insight Equity Income Fund – Retail Advised B Net Acc (11 February); Insight Equity Income Fund – Retail Advised B Net Inc (11 February); Insight Global Absolute Return Fund – Institutional W Net Acc (11 February); Insight Global Absolute Return Fund – Institutional W Net Inc (11 February); Insight Global Absolute Return Fund – Retail Advised B Net Acc (11 February); Insight Global Absolute Return Fund – Sterling Inc (11 February); Insight Global Multi-Strategy Fund – Institutional W Net Acc (11 February); Insight Global Multi-Strategy Fund – Institutional W Net Inc (11 February); Insight Global Multi-Strategy Fund – Retail Advised B Net Acc (11 February); Insight Global Multi-Strategy Fund – Retail Advised B Net Inc (11 February); Insight Inflation-Linked Corporate Bond Fund – Institutional W Net Acc (11 February); Insight Inflation-Linked Corporate Bond Fund – Institutional W Net Inc (11 February); Insight Inflation-Linked Corporate Bond Fund – Retail Advised B Net Acc (11 February); Insight Inflation-Linked Corporate Bond Fund – Retail Advised B Net Inc (11 February); Insight Strategic Bond Fund – Institutional W Net Acc (11 February); Insight Strategic Bond Fund – Institutional W Net Inc (11 February); Insight Strategic Bond Fund – Retail Advised B Net Acc (11 February); Insight Strategic Bond Fund – Retail Advised B Net Inc (11 February); Newton Global Higher Income Fund – Exempt 2 Net Acc (14 February); Newton Phoenix Multi-Asset Fund – X Net Acc (21 May); Newton Global Dynamic Bond Fund – Exempt 2 Gross Inc (11 June); Newton Global Opportunities Fund – Exempt 2 Net Inc (11 June); Insight Inflation-Linked Corporate Bond Fund – X Net Acc (6 November); Newton Long Corporate Bond Fund – X Net Inc (18 November); Newton Long Gilt Fund – X Net Inc (18 November); Newton UK Opportunities Fund – X Net Inc (18 November); Newton Asian Income Fund – X Net Acc USD (2 December).

Investor Information (continued)

2014 – launched the following share classes: Insight Strategic Bond Fund Institutional Inc (17 February); Insight Strategic Bond Fund Institutional Acc (17 February); Newton Long Gilt Fund X Net Acc (14 April); Newton Long Corporate Bond Fund X Net Acc (30 April); The Boston Company US Opportunities Fund F Net Inc (7 May); The Boston Company US Opportunities Fund F Net Acc (14 May); Newton Global Higher Income Fund U Net Inc (19 May); Newton Global Higher Income Fund U Net Acc (19 May), BNY Mellon Long-Term Global Equity – Sterling Exempt 1 Net Acc (17 September).

2015 – launched the following share classes: Newton Real Return Fund U Net Inc (8 January), Newton Real Return Fund U Net Acc (8 January), Newton Multi-Asset Income Fund Sterling Inc (4 February), Newton Multi-Asset Income Fund Retail Advised B Net Inc (4 February), Newton Multi-Asset Income Fund Retail Advised B Net Acc (4 February), Newton Multi-Asset Income Fund Institutional W Net Inc (4 February), Newton Multi-Asset Income Fund Institutional W Net Acc (4 February), Newton Multi-Asset Income Fund F Net Inc (4 February), Newton Multi-Asset Income Fund F Net Acc (4 February), Insight Strategic Bond Fund F Net Inc (8 April), Insight Strategic Bond Fund F Net Acc (8 April), Insight Inflation-Linked Corporate Bond Fund F Net Inc (8 April), Insight Inflation-Linked Corporate Bond Fund F Net Acc (8 April), Insight Corporate Bond Fund F Net Inc (8 April), Insight Corporate Bond Fund F Net Acc (8 April).

Amendments:-

2004 –

- 30 July - Newton Intrepid Fund name changed to Newton Absolute Intrepid Fund.
- 31 July - Following the restructuring of Newton's range of exempt unit trusts, a number of Sub-Funds and/or share classes were added to the Company. The Sub-Funds offer one or more of the following Share Class types – Sterling Inc., Mellon Newton Euro Acc., Exempt 1 Net Acc., Exempt 2 Net Acc., Exempt 1 Gross Acc., Exempt 2 Gross Acc., Institutional Net Acc.
- 2 August – The name of the Company was changed from Newton Investment Funds to Mellon Investment Funds ICVC (“MIF”) and the name of the ACD was changed from Newton Fund Managers Limited to Mellon Fund Managers Limited.

2005 –

- 31 March – Mellon Newton Euro Acc. shares name changed to Euro Acc. shares. The following funds offer a Euro Acc. share class: Newton American Fund; Newton Continental European Fund; Newton Global Innovation Fund; Newton International Bond Fund; Newton International Growth Fund; Newton Japan Fund; Newton Oriental Fund and Newton Pan-European Fund. The MIF Prospectus was amended to include an Exempt 3 class for all Sub-Funds as and when required.
 - 1 July – The MIF Prospectus was amended to include an X Share Class for all Sub-Funds as and when required.
- MIF is meeting the requirements of the European Union Savings Directive (EUSD).
- 30 September - At a series of Extraordinary General Meetings of Shareholders in the Company the following changes were approved and effected from:
 - 1 October –
 - The objective of the Company was changed, as stated in the Instrument of Incorporation, to enable Sub-Funds of the Company to take up the wider powers prescribed by the recently amended UCITS Directive. The wider powers were adopted by the following Sub-Funds: Newton European High Yield Bond Fund, Newton Strategic Corporate Bond Fund (formerly Newton High Yield Bond Fund), Newton International Bond Fund, Newton Long Corporate Bond Fund, Newton Absolute Intrepid Fund, Newton Balanced Fund, Newton Global Balanced Fund and Newton Managed Intrepid Fund. Consequently the investment objective and policy of these Sub-Funds was amended to permit greater investment flexibility, including the greater use of derivatives.
 - The Newton High Yield Bond Fund name changed to Newton Strategic Corporate Bond Fund.
 - The following Sub-Funds had the investment objective and policy amended to take up/permit greater investment flexibility but did not take up the wider investment powers permitted under the amended UCITS Directive: Newton American Fund; Newton Continental European Fund; Newton Income Fund; Newton Index Linked Gilt Fund; Newton Japan Fund; Newton Oriental Fund; Newton Pan-European Fund and Newton UK Equity Fund.
 - The limit on investing in other collective investment schemes was increased from 5% to 10% on all Sub-Funds.
 - The investment objective of all Sub-Funds explicitly permits the use of collective investment schemes as an asset class.
 - The investment objective and policy of the Newton International Bond Fund was amended to remove the list of Government and other public securities allowable for investment.
 - 14 October – The basis for charging Registrar Fees and other allowable expenses to the Sub-Funds changed. An Administration Fee of 0.10% per annum is charged on Sterling Income shares; 0.03% per annum is charged on Institutional Income shares, Institutional Accumulation shares and all Exempt and X share classes. The Administration Fee is calculated and accrued daily and payable monthly.
 - 8 November – The Prospectus was amended to include an Institutional Inc. share class for all Sub-Funds as and when required.
 - 13 November – The annual management charge of the Newton Absolute Intrepid Fund is charged to capital rather than income.

2006 -

- 30 June – Newton Managed Intrepid Fund was merged into Newton Absolute Intrepid Fund.
- 18 December – Newton Global Innovation Fund was closed.

2007 -

- 1 September – Newton Growth Fund annual management charge increased to 1.5%.
- 1 October – Following the successful merger of Mellon Financial Corporation with Bank of New York, Mellon Fund Managers Limited became part of BNY Asset Management International Holdings Limited.

Investor Information (continued)

2007 (continued)

- 1 October - Newton Strategic Corporate Bond Fund changed from the IMA UK Other Bond to the IMA UK Corporate Bond Sector.
- 3 October - the Exempt 3 Net Acc. share class of both the Newton Overseas Equity Fund and the Newton UK Equity Fund was closed.
- 31 December – Newton Equity & Bond Fund changed sector from IMA UK Equity & Bond Income to IMA Balanced Managed. The performance record was retained.

2008 -

- 31 March - Following the successful merger of Mellon Financial Corporation with The Bank of New York, the name of the Company changed from Mellon Investment Funds ICVC (“MIF”) to BNY Mellon Investment Funds (“BNYMIF”) and the name of the ACD from Mellon Fund Managers Limited to BNY Mellon Fund Managers Limited.
- 31 March – Mellon Long-Term Global Equity Fund name changed to BNY Mellon Long-Term Global Equity Fund.
- 11 June – Newton Absolute Intrepid Fund changed sector from IMA Active Managed to IMA Absolute Return. The performance record from 31 March 2004 is retained.
- 1 July - No initial charge will be applied to the reinvestment of distribution income.
- 18 September – Newton UK Equity Fund X Net Acc. share class was closed.
- 31 December – the name of the Newton Strategic Corporate Bond Fund changed to Newton Corporate Bond Fund.
- The Newton Corporate Bond Fund moved from the IMA UK Corporate Bond Sector to the IMA £ Corporate Bond Sector. The performance record was retained.
- Newton Higher Income Fund - at the interim accounting date (31 December 2008), in accordance with the Regulations and the objective of the Fund, a proportion of the income available for distribution was retained within the Fund. For the period 1 January to 30 June 2009, the value of the deferred income was included in the daily Net Asset Value (NAV) calculations and, therefore, included in the published price. At the annual accounting date (30 June 2009) all accrued income was distributed.
- Suspension of dealing – the ACD and Depositary have agreed that the previous suspension limit of 28 days be extended to indefinite. The ACD and Depositary must review the temporary suspension at least every 28 days and inform the FSA of the result of that review with the aim of ending the temporary suspension as soon as practicable after the exceptional circumstances have ceased. Following the end of the temporary suspension, for dealing purposes, the ACD will recommence the calculation of the net asset value and share price of the fund(s) at the next relevant valuation point.

2009 -

- 28 January – Newton Diversified Growth Fund Exempt 2 Net Acc. share class was closed.
- 5 February – Newton Diversified Growth Fund Institutional Net Acc. share class was closed.
- 25 February – Newton UK Equity Fund Exempt 2 Net Acc. share class was closed.
- 1 July –
The Newton Absolute Intrepid Fund name changed to Newton Real Return Fund.
The Newton Higher Income Fund distribution frequency changed from half-yearly to quarterly.
The BNY Mellon Long-Term Global Equity Fund minimum investment level reduced to £1,000 and ISA functionality introduced.
- Administration for the Exempt and X share classes moved from the London office to BNY Mellon House, Ingrave Road, Brentwood, CM15 8TG.
- Shares in Exempt and X share classes represented to 4 decimal places.
- 1 August – the annual management charge of the Newton Income Fund is charged to capital rather than income.
- 9 October 2009 - Newton International Bond Fund X Shares Net Acc closed;
- 30 October 2009 (close of business)

Newton European High Yield Bond Fund

- At an Extraordinary General Meeting held on 28 October 2009, Shareholders voted in favour of the following changes which will be with effect from midnight on 30 October 2009:-
- The name of the Newton European High Yield Bond Fund changed to Newton Global High Yield Bond Fund;
- The investment objective changed to:-
“The objective of the Sub-Fund is to achieve a high yield from a globally diversified portfolio which may include but is not limited to fixed bonds and other debt instruments (such as floating rate notes and index-linked notes).
The Sub-Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes. At least 80% of the Sub-Fund’s assets should be in Sterling denominated assets or hedged back to Sterling” with effect from 31 October 2009;
- The IMA sector changed from Global Bonds to £ High Yield – please note that the performance history has been retained.

Newton Equity & Bond Fund

- The lead fund manager changed from Jamie Korner to Simon Nicholls.
- 30 November 2009 (close of business) – Newton Global Dynamic Bond – change of benchmark from a customised benchmark of 25% Merrill Lynch Global Bond Index; 25% Merrill Lynch Global High Yield index; 25% JP Morgan Emerging Markets Bond Index; 25% JP Morgan Global Bonds Index hedged to a cash benchmark of LIBOR 1 month GBP + 2% p.a. (gross);
- 31 December 2009 (midnight) – the following changes were implemented on the Newton Equity & Bond Fund:-
- The Annual Management Charge was reduced on the Sterling Income share class from 1.5% to 1.25% and on the Institutional Net Acc. share class from 1% to 0.75%.
- The IMA sector changed from Balanced Managed to Cautious Managed;

2010 -

- 29 January 2010 (midnight) - the name of the Newton Equity & Bond Fund changed to Newton Cautious Managed Fund;
- 19 March 2010 – Newton Real Return Fund P Net Acc share class was reduced to zero;

Investor Information (continued)

2010 (continued)

- 31 March 2010 (midnight) – the following changes were made to the Newton 60/40 Global Equity Fund:-
 - name changed to Newton 50/50 Global Equity Fund;
 - investment objective changed as follows:
 - The objective of the Sub-Fund is to invest in a broad spread of UK and international securities to achieve income and capital growth over the term.
 - The Sub-Fund will be managed to a benchmark of approximately 50% UK and 50% international equities.
 - The Sub-Fund may also invest in collective investment schemes.
 - The benchmark changed to:
 - 50% UK equities represented by FTSE All-Share; and
 - 50% overseas equities represented by 1/3 FTSE AW North America, 1/3 FTSE AW Europe ex UK and 1/3 FTSE AW Asia Pacific
- 27 April 2010 – the Newton European Higher Income Fund X shares net income share class was reduced to zero;
- 27 April 2010 – the Newton Higher Income Fund X shares net income share class was reduced to zero;

2011 -

- 4 February 2011 – Newton Corporate Bond X Net Acc closed
 - 17 June 2011 - Newton Japan Fund Exempt 1 Net Acc closed
 - 24 June 2011 - Newton Japan Fund closed
 - 26 September 2011 – Newton Income Fund X Inc share class was reduced to zero
 - 17 October 2011 - As part of an internal re-structuring in 2011 The Royal Bank of Scotland Group plc transferred its Trustee and Depositary Services business from The Royal Bank of Scotland plc to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as depositary of the Funds on 17 October 2011.
- As depositary, National Westminster Bank plc will have the same duties and responsibilities as The Royal Bank of Scotland and the change of depositary will have no impact on the way the Funds are operated.
- 17 October 2011 – The settlement cycle of Newton Long Gilt Fund Exempt Shares 2 (Gross Accumulation) and X Shares (Gross Accumulation), and of Newton Index Linked Gilt Fund Exempt Shares 2 (Gross Accumulation), X Shares (Net Income) and X Shares (Gross Accumulation) changed from T+1 to T+4.

2012 -

- 30 January 2012 – the name of the Newton International Growth Fund changed to Newton Global Equity Fund;
- 30 January 2012 – the Investment Adviser of the Newton American Fund changed from Newton Investment Management Limited to The Boston Company Asset Management, LLC. The fund name also changed to the BNY Mellon American Fund;
- 31 March 2012 – the Newton Growth Fund and Newton UK Equity Fund merged into the Newton Income Fund;
- 2 April 2012 – following the successful merger, the Newton Income Fund was renamed the Newton UK Equity Fund;
- 4 September 2012 – Newton UK Equity Exempt Shares 2 (Net Accumulation) share class was closed;
- 4 October 2012 – Newton Emerging Income Fund launched.

2013 -

- 28 January 2013 – Newton Pan-European Fund closed;
- 9 February 2013 – Insight Strategic Bond Fund, Insight Inflation-Linked Corporate Bond Fund, Insight Global Multi-Strategy Fund, Insight Global Absolute Return Fund, Insight Equity Income Booster Fund and Insight Equity Income Fund launched;
- 15 June 2013 – the Newton Cautious Managed Fund merged into the Newton Managed Income Fund; a Sub-Fund of BNY Mellon Managed Funds
- 13 December 2013 – Newton European Higher Income Fund closed.
- 23 December 2013 - In line with Investment Management Association (IMA) and Financial Conduct Authority (FCA) changes in relation to targeted absolute return funds, clarification has been made to the investment objective of certain Sub-Funds to specify a) the investment period over which the Sub-Fund aims to achieve a positive return; b) the performance aim and the time period in which the Sub-Fund will aim to achieve that; and c) that capital is at risk and there is no guarantee that the absolute return or performance aim will be achieved. Affected Sub-Funds are the Newton Real Return Fund, Newton Global Dynamic Bond Fund, Newton Phoenix Multi-Asset Fund and Insight Global Absolute Return Fund. There is no change to the way the Sub-Funds are managed.

2014 -

- 13 February 2014 – The BNY Mellon American Fund changed name to The Boston Company US Opportunities Fund and the investment objective and policy of the fund was updated;
- 15 February 2014 – the Newton Overseas Equity Fund merged into the Newton Global Equity Fund;
- 15 February 2014 – the BNY Mellon Global Strategic Bond Fund merged into the Insight Strategic Bond Fund;
- 15 May 2014 – The Newton Global Balanced X Shares (Net Acc) closed;
- 10 June 2014 – The Newton Long Gilt X Shares (Net Acc) closed;
- 15 August 2014 – The Insight Equity Income Booster X Shares (Net Acc) closed;
- 25 September 2014 – The Newton Long Gilt X Shares (Net Acc) closed;
- 30 September 2014 – The Newton Long Corporate Bond X Shares (Net Acc) closed;
- 1 October 2014 – The Investment Manager of the Newton Corporate Bond Fund changed from Newton Investment Management Limited to Insight Investment Management (Global) Limited and the Fund was renamed to Insight Corporate Bond Fund;
- 16 October 2014 – The Newton Oriental X Shares (Net Acc) closed;
- 17 December 2014 – The assets of a Sub-Fund belong exclusively to that Sub-Fund and may not be used to discharge the liabilities of or claims against any other person or body, including BNY Mellon Investment Funds or any Sub-Fund within the umbrella;

Investor Information (continued)

2015-

- 2 January 2015 – The Newton Balanced Fund changed name to Newton Multi-Asset Balanced Fund and the Annual Management Charge was reduced on the Institutional W share classes from 0.75% to 0.625%;
- 2 January 2015 – The Newton Phoenix Multi-Asset Fund changed name to Newton Multi-Asset Diversified Return Fund, the Annual Management Charge was reduced on the Institutional W share classes from 0.75% to 0.625% and the Sector changed from the Investment Association Mixed Investment 20-60% Shares to the Specialist Sector;
- 2 January 2015 – The Newton Managed Fund changed name to Newton Multi-Asset Growth Fund and the Annual Management Charge was reduced on the Institutional W share classes from 0.75% to 0.625%;
- 2 January 2015 – The Investment Management Association (IMA) changed name to The Investment Association;
- 4 February 2015 – The Newton Multi-Asset Income Fund launched;
- 2 March 2015 – The settlement cycle for all sub-funds of BNY Mellon Investments Fund changed from T+4 to T+3;
- 1 April 2015 – The Newton Higher Income Fund was renamed the Newton UK Income Fund;
- 1 April 2015 – The Newton Global Higher Income Fund was renamed the Newton Global Income Fund;
- 17 April 2015 – The Newton International Bond Fund P (Net Acc) share class closed;
- 17 April 2015 – The Newton Global Dynamic Bond Fund P (Net Inc) closed;
- 5 June 2015 – The Newton Emerging Income X Acc share class closed;
- 25 July 2015 – The Newton Global Emerging Markets Fund launched as a new sub-fund under BNY Mellon Investment Funds, following the merger of an authorised unit trust of the same name.

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 Scheme. Further details may be found on our website – www.bnymellonim.co.uk under Client Classification.

The ACD makes available the daily prices of shares on its website: www.bnymellonim.com. Selected share prices are also available, free, via our Priceline on 0500 330 000.

The ACD has dispensed with the requirement to convene Annual General Meetings of the Company. However, Extraordinary General Meetings will continue to take place as and when required.

Dilution Adjustment

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

Investor Information (continued)

Annual and Interim Reports

The ACD acts on instructions received from shareholders when making a copy of the Interim and Annual Short Report for BNY Mellon Investment Funds available each year.

Help the Environment - Access the Reports Online

You can log on to our website and access a copy of the Long Form Financial Statements and the Short Report in English, German or Spanish using the following links:-

English Long Form – www.bnymellonam.com/mifenlong

English Short Report – www.bnymellonam.com/mifenshort

German Long Form – www.bnymellonam.com/mifdelong

German Short Report – www.bnymellonam.com/mifdeshort

Spanish Long Form – www.bnymellonam.com/mifeslong

Spanish Short Report – www.bnymellonam.com/mifesshort

A hard copy of the full Long Form financial statements is also available upon written request from BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom. The annual accounting period is to 30 June and the interim accounting period is to 31 December.

If you have received a hard copy of the latest Short Report but would prefer not to receive a hard copy for future reporting periods but instead receive written notification of when the report is available to view online, please write to BNY Mellon Fund Managers Limited at Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom and we will note your instructions on your account.

If you reside outside the UK but wish to receive a copy of the Annual and Interim Short Reports in English, please write to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom and we will record your preference on your account.

The cost of producing the BNY Mellon Investment Funds Interim and Annual Reports is charged to the Company in accordance with the provisions of the Regulations and the Prospectus. This Short Report is printed on recycled material from sustainable sources.

Investor Information (continued)**Post Balance Sheet Events**

As indicated in the Accounting Policies in Note 1 (b) to the Aggregated Financial Statements, the investments have been valued at close of business on 30 June 2015. Since that date the Sub-Funds quoted prices have changed as detailed in the following table, which shows the quoted prices at midday on 30 June 2015 and at midday on 10 September 2015.

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
BNY Mellon Long-Term Global Equity Fund			
Sterling Income Shares	173.52	166.18	-4.23
Institutional Shares (Net Accumulation)	196.83	189.33	-3.81
Exempt Shares 1 (Net Accumulation)	105.04	101.11	-3.74
Exempt Shares 2 (Net Accumulation)	200.47	192.93	-3.76
X Shares (Net Accumulation)	148.50	143.12	-3.62
Institutional Shares W (Net Income)	130.86	124.51	-4.85
Institutional Shares W (Net Accumulation)	133.69	128.66	-3.76
Retail Advised Shares B (Net Income)	129.74	123.76	-4.61
Retail Advised Shares B (Net Accumulation)	131.59	126.56	-3.82
Insight Corporate Bond Fund (Formerly Newton Corporate Bond Fund)			
Sterling Income Shares	85.11	85.58	0.55
Institutional Shares W (Net Income)	104.77	105.32	0.52
Institutional Shares W (Net Accumulation)	114.06	115.31	1.10
Retail Advised Shares B (Net Income)	103.11	103.67	0.54
Retail Advised Shares B (Net Accumulation)	111.57	112.72	1.03
P Shares (Net Accumulation)	110.88	111.88	0.90
Institutional F Shares (Net Income)	95.56	96.09	0.55
Institutional F Shares (Net Accumulation)	95.56	96.62	1.11
Insight Equity Income Fund			
Sterling Income Shares	163.79	154.02	-5.96
Sterling Accumulation Shares	501.89	478.17	-4.73
Institutional Shares W (Net Income)	143.56	135.22	-5.81
Institutional Shares W (Net Accumulation)	570.98	544.88	-4.57
Retail Advised Shares B (Net Income)	116.42	109.58	-5.88
Retail Advised Shares B (Net Accumulation)	126.92	121.04	-4.63
Insight Equity Income Booster Fund			
Sterling Income Shares	132.75	123.90	-6.67
Sterling Accumulation Shares	217.75	207.61	-4.66
Institutional Shares W (Net Income)	137.99	128.90	-6.59
Institutional Shares W (Net Accumulation)	227.75	217.42	-4.54
Retail Advised Shares B (Net Income)	100.28	93.63	-6.63
Retail Advised Shares B (Net Accumulation)	120.35	114.84	-4.58
Insight Global Absolute Return Fund			
Sterling Accumulation Shares	107.91	104.45	-3.21
Institutional Shares (Net Accumulation)	109.98	106.45	-3.21
Sterling Income Shares	107.55	103.72	-3.56
Institutional Shares W (Net Income)	108.57	103.87	-4.33
Institutional Shares W (Net Accumulation)	110.09	106.56	-3.21
Retail Advised Shares B (Net Income)	108.34	103.84	-4.15
Retail Advised Shares B (Net Accumulation)	109.45	105.93	-3.22
Insight Global Multi-Strategy Fund			
Sterling Income Shares	110.81	107.03	-3.41
Sterling Accumulation Shares	111.24	107.56	-3.31
Institutional Shares (Income)	111.26	107.32	-3.54
Institutional Shares (Accumulation)	113.05	109.38	-3.25
S Shares (Net Income)	111.10	107.27	-3.45
S Shares (Net Accumulation)	113.17	109.44	-3.30
Institutional Shares W (Net Income)	111.28	107.33	-3.55
Institutional Shares W (Net Accumulation)	113.21	109.55	-3.23
Retail Advised Shares B (Net Income)	111.13	107.21	-3.53
Retail Advised Shares B (Net Accumulation)	112.58	108.97	-3.21

Investor Information (continued)

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
Insight Inflation Linked Corporate Bond Fund			
Sterling Income Shares	100.79	99.56	-1.22
Sterling Accumulation Shares	105.44	104.60	-0.80
Institutional Shares (Net Income)	101.05	99.66	-1.38
Institutional Shares (Net Accumulation)	106.79	106.05	-0.69
Institutional Shares W (Net Income)	101.10	99.71	-1.37
Institutional Shares W (Net Accumulation)	106.86	106.13	-0.68
Retail Advised Shares B (Net Income)	100.98	99.66	-1.31
Retail Advised Shares B (Net Accumulation)	106.23	105.45	-0.73
X Shares (Net Accumulation)	103.99	103.36	-0.61
Institutional F Shares (Net Income)	98.66	97.89	-0.78
Institutional F Shares (Net Accumulation)	98.66	97.99	-0.68
Insight Strategic Bond Fund			
Sterling Income Shares	103.28	103.01	-0.26
Sterling Accumulation Shares	109.36	109.07	-0.27
Institutional Shares W (Net Income)	103.37	103.15	-0.21
Institutional Shares W (Net Accumulation)	110.50	110.29	-0.19
Retail Advised Shares B (Net Income)	103.27	103.04	-0.22
Retail Advised Shares B (Net Accumulation)	109.86	109.61	-0.23
Institutional Shares (Income)	101.51	101.29	-0.22
Institutional Shares (Accumulation)	104.85	104.65	-0.19
Institutional F Shares (Net Income)	100.63	100.45	-0.18
Institutional F Shares (Net Accumulation)	100.63	100.44	-0.19
Newton 50/50 Global Equity Fund			
Exempt Shares 1 (Net Accumulation)	264.30	253.18	-4.21
X Shares (Net Accumulation)	276.84	n/a	n/a
Exempt Shares 2 (Net Accumulation)	195.47	187.21	-4.23
Newton Asian Income Fund			
Sterling Income Shares	164.99	151.66	-8.08
Institutional Shares (Net Income)	173.11	159.26	-8.00
Institutional Shares (Net Accumulation)	275.01	255.67	-7.03
X Shares (Net Income)	180.81	166.72	-7.79
Institutional Shares (Net Accumulation) Euro	141.51	128.98	-8.85
Institutional Shares (Net Income) Euro	115.12	103.84	-9.80
Euro Accumulation Shares	131.30	119.53	-8.96
Euro Income Shares	113.28	102.09	-9.88
Institutional Shares (Net Income) USD	97.40	87.93	-9.72
Institutional Shares (Net Accumulation) USD	112.63	102.75	-8.77
USD Income Shares	95.86	86.47	-9.80
USD Accumulation Shares	110.66	100.81	-8.90
Institutional Shares W (Net Income)	99.54	91.62	-7.96
Institutional Shares W (Net Accumulation)	112.10	104.28	-6.98
Retail Advised Shares B (Net Income)	96.69	88.95	-8.00
Retail Advised Shares B (Net Accumulation)	108.35	100.75	-7.01
P Shares (Net Income)	97.44	89.64	-8.00
X Shares (Net Accumulation) USD	99.43	n/a	n/a
Newton Continental European Fund			
Sterling Income Shares	201.52	197.04	-2.22
Euro Accumulation Shares	147.26	142.58	-3.18
Exempt Shares 1 (Net Accumulation)	206.56	204.64	-0.93
Institutional Shares W (Net Income)	137.93	133.97	-2.87
Institutional Shares W (Net Accumulation)	143.91	142.50	-0.98
Retail Advised Shares B (Net Income)	133.24	129.76	-2.61
Retail Advised Shares B (Net Accumulation)	138.27	136.83	-1.04

Investor Information (continued)

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
Newton Emerging Income Fund			
Sterling Income Shares	85.53	75.80	-11.38
Sterling Accumulation Shares	95.10	85.54	-10.05
X Shares (Net Income)	89.20	79.31	-11.09
Institutional Shares W (Net Income)	87.47	77.65	-11.23
Institutional Shares W (Net Accumulation)	97.20	87.56	-9.92
Institutional Shares (Net Income)	86.93	77.14	-11.26
Institutional Shares (Net Accumulation)	96.57	86.96	-9.95
Retail Advised Shares B (Net Income)	85.50	75.86	-11.27
Retail Advised Shares B (Net Accumulation)	94.86	85.42	-9.95
Newton Global Balanced Fund			
Exempt Shares 1 (Net Accumulation)	343.32	336.12	-2.10
Exempt Shares 2 (Net Accumulation)	232.06	227.15	-2.12
Newton Global Dynamic Bond Fund			
Sterling Income Shares	106.62	105.95	-0.63
Exempt Shares 2 (Gross Accumulation)	184.84	184.86	0.01
Institutional Shares (Income)	112.24	111.65	-0.53
X Shares (Net Accumulation)	157.73	157.74	0.01
X Shares (Net Income)	101.33	100.95	-0.38
X Shares (Gross Accumulation)	188.10	188.27	0.09
Institutional Shares W (Net Income)	100.29	99.79	-0.50
Institutional Shares W (Net Accumulation)	107.61	107.48	-0.12
Retail Advised Shares B (Net Income)	98.98	98.44	-0.55
Retail Advised Shares B (Net Accumulation)	105.71	105.52	-0.18
Exempt Shares 2 (Gross Income)	98.72	98.25	-0.48
Newton Global Equity Fund			
Sterling Income Shares	109.97	105.88	-3.72
Euro Accumulation Shares	138.92	131.48	-5.36
Exempt Shares 2 (Net Accumulation)	244.85	237.07	-3.18
Exempt Shares 1 (Net Accumulation)	178.68	173.04	-3.16
X Shares (Net Accumulation)	185.40	179.72	-3.06
Exempt Shares 3 (Net Accumulation)	175.81	170.18	-3.20
Institutional Shares W (Net Income)	141.28	135.17	-4.32
Institutional Shares W (Net Accumulation)	144.79	140.15	-3.20
Retail Advised Shares B (Net Income)	136.61	131.02	-4.09
Retail Advised Shares B (Net Accumulation)	139.01	134.46	-3.27
Newton Global High Yield Bond Fund			
Sterling Income Shares	61.24	59.86	-2.25
X Shares (Net Accumulation)	106.38	105.49	-0.84
X Shares (Net Income)	84.31	82.57	-2.06
Institutional Shares W (Net Income)	97.71	95.59	-2.17
Institutional Shares W (Net Accumulation)	113.11	112.06	-0.93
Retail Advised Shares B (Net Income)	94.71	92.62	-2.21
Retail Advised Shares B (Net Accumulation)	108.88	107.80	-0.99
P Shares (Net Accumulation)	107.88	106.77	-1.03

Investor Information (continued)

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
Newton Global Income Fund (Formerly Newton Global Higher Income Fund)			
Sterling Income Shares	146.14	142.89	-2.22
Institutional Shares (Income)	153.38	150.12	-2.13
Institutional Shares (Accumulation)	230.85	229.72	-0.49
Exempt Shares 2 (Net Income)	156.81	153.56	-2.07
X Shares (Net Accumulation)	233.15	232.46	-0.30
X Shares (Net Income)	131.78	129.24	-1.93
Sterling Accumulation Shares	127.63	126.87	-0.60
Institutional Shares W (Net Income)	114.58	112.22	-2.06
Institutional Shares W (Net Accumulation)	126.62	126.06	-0.44
Retail Advised Shares B (Net Income)	112.89	110.49	-2.13
Retail Advised Shares B (Net Accumulation)	124.23	123.59	-0.52
Exempt Shares 2 (Net Accumulation)	116.60	116.09	-0.44
U Shares (Net Income)	102.21	100.16	-2.01
U Shares (Net Accumulation)	106.40	105.96	-0.41
Newton Global Opportunities Fund			
Sterling Income Shares	208.87	202.83	-2.89
Exempt Shares 2 (Net Accumulation)	241.67	238.22	-1.43
X Shares (Net Accumulation)	259.46	253.39	-2.34
Institutional Shares W (Net Income)	139.53	134.62	-3.52
Institutional Shares W (Net Accumulation)	142.93	139.40	-2.47
Retail Advised Shares B (Net Income)	136.70	132.24	-3.26
Retail Advised Shares B (Net Accumulation)	139.24	135.71	-2.54
Exempt Shares 2 (Net Income)	118.92	114.74	-3.51
Newton Index Linked Fund			
Exempt Shares 2 (Gross Accumulation)	353.94	368.53	4.12
Institutional Shares (Net Accumulation)	331.09	344.40	4.02
X Shares (Gross Accumulation)	359.65	374.64	4.17
X Shares (Net Income)	322.35	334.56	3.79
Newton International Bond Fund			
Sterling Income Shares	191.72	196.16	2.32
Euro Accumulation Shares	164.82	165.72	0.55
Institutional Shares (Accumulation)	239.12	245.67	2.74
Institutional Shares (Income)	203.16	207.55	2.16
Exempt Shares 2 (Gross Accumulation)	163.23	167.83	2.82
Institutional Shares W (Net Income)	87.78	89.68	2.16
Institutional Shares W (Net Accumulation)	90.69	93.18	2.75
Retail Advised Shares B (Net Income)	87.93	89.96	2.31
Retail Advised Shares B (Net Accumulation)	90.29	92.72	2.69

Investor Information (continued)

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
Newton Long Corporate Bond Fund			
Exempt Shares 1 (Gross Accumulation)	272.01	276.76	1.75
Exempt Shares 2 (Gross Accumulation)	182.67	185.83	1.73
Institutional Shares (Net Accumulation)	151.52	153.86	1.54
X Shares (Gross Accumulation)	276.36	281.30	1.79
X Shares (Net Income)	106.64	106.65	0.01
Newton Long Gilt Fund			
Exempt Shares 2 (Gross Accumulation)	458.33	477.20	4.12
Institutional Shares (Net Accumulation)	417.93	434.56	3.98
X Shares (Gross Accumulation)	466.03	485.41	4.16
Newton Multi-Asset Balanced Fund (Formerly Newton Balanced Fund)			
Sterling Income Shares	177.02	170.00	-3.97
Institutional Shares (Net Accumulation)	240.96	234.92	-2.51
Institutional Shares W (Net Income)	113.44	109.12	-3.81
Institutional Shares W (Net Accumulation)	120.51	117.57	-2.44
Retail Advised Shares B (Net Income)	110.34	106.07	-3.87
Retail Advised Shares B (Net Accumulation)	117.49	114.54	-2.51
Newton Multi-Asset Diversified Return Fund (Formerly Newton Phoenix Multi-Asset Fund)			
Sterling Income Shares	142.45	136.48	-4.19
Sterling Accumulation Shares	172.79	167.51	-3.06
Exempt Shares 2 (Net Accumulation)	183.93	178.59	-2.90
Institutional Shares W (Net Income)	112.16	107.22	-4.40
Institutional Shares W (Net Accumulation)	118.44	115.00	-2.90
Retail Advised Shares B (Net Income)	110.43	105.65	-4.33
Retail Advised Shares B (Net Accumulation)	116.21	112.78	-2.95
X Shares (Net Accumulation)	108.42	105.38	-2.80
Newton Multi-Asset Growth Fund (Formerly Newton Managed Fund)			
Sterling Income Shares	657.58	640.51	-2.60
Institutional Shares (Accumulation)	780.45	767.86	-1.61
Institutional Shares W (Net Income)	135.37	131.46	-2.89
Institutional Shares W (Net Accumulation)	141.36	139.19	-1.54
Retail Advised Shares B (Net Income)	131.75	128.13	-2.75
Retail Advised Shares B (Net Accumulation)	136.93	134.70	-1.63
Newton Multi-Asset Income Fund			
Sterling Income Shares	98.07	94.52	-3.62
Institutional Shares W (Net Income)	98.29	94.85	-3.50
Institutional Shares W (Net Accumulation)	99.39	97.15	-2.25
Institutional Shares F (Net Income)	98.33	94.92	-3.47
Institutional Shares F (Net Accumulation)	99.43	97.21	-2.23
Retail Advised Shares B (Net Income)	98.20	94.73	-3.53
Retail Advised Shares B (Net Accumulation)	99.30	97.02	-2.30
Newton Oriental Fund			
Sterling Income Shares	486.75	430.58	-11.54
Euro Accumulation Shares	252.53	221.16	-12.42
Exempt Shares 1 (Net Accumulation)	364.84	326.96	-10.38
Institutional Shares (Net Accumulation)	168.66	150.99	-10.48
P Shares (Net Income)	106.74	93.95	-11.98
Institutional Shares W (Net Income)	101.37	89.03	-12.17
Institutional Shares W (Net Accumulation)	104.34	93.45	-10.44
Retail Advised Shares B (Net Income)	97.28	85.68	-11.92
Retail Advised Shares B (Net Accumulation)	99.42	89.00	-10.48

Investor Information (continued)

	Price @ 30 June 2015 (pence/cents)	Price @ 10 September 2015 (pence/cents)	% change
Newton Real Return Fund			
Sterling Income Shares	289.04	282.89	-2.13
Sterling Income A Shares	117.29	114.70	-2.21
Exempt Shares 2 (Net Accumulation)	225.70	223.96	-0.77
X Shares (Net Accumulation)	184.26	183.06	-0.65
Institutional Shares (Accumulation)	142.66	141.50	-0.81
X Shares (Net Income)	128.72	126.11	-2.03
Exempt Shares 2 (Net Income)	191.83	187.72	-2.14
Exempt Shares 1 (Net Accumulation)	112.15	111.30	-0.76
Institutional Shares W (Net Income)	102.10	99.91	-2.14
Institutional Shares W (Net Accumulation)	109.44	108.59	-0.78
Retail Advised Shares B (Net Income)	100.03	97.89	-2.14
Retail Advised Shares B (Net Accumulation)	107.06	106.18	-0.82
P Shares (Net Accumulation)	107.27	106.40	-0.81
U Shares (Accumulation)	100.34	99.59	-0.75
U Shares (Income)	100.36	98.23	-2.12
Newton UK Equity Fund			
Sterling Income Shares	792.12	785.15	-0.88
Institutional Shares (Net Accumulation)	224.42	225.01	0.26
Institutional Shares (Net Income)	819.95	813.50	-0.79
X Shares (Net Accumulation)	272.28	273.54	0.46
Exempt Shares 1 (Net Accumulation)	424.63	426.17	0.36
Exempt Shares 3 (Net Accumulation)	183.69	184.32	0.34
Institutional Shares W (Net Income)	132.20	131.23	-0.73
Institutional Shares W (Net Accumulation)	141.11	141.56	0.32
Retail Advised Shares B (Net Income)	127.55	126.56	-0.78
Retail Advised Shares B (Net Accumulation)	135.76	136.10	0.25
Newton UK Income (Formerly Newton Higher Income Fund)			
Sterling Income Shares	61.08	59.62	-2.39
Exempt Shares 1 (Net Accumulation)	325.48	323.50	-0.61
Exempt Shares 2 (Net Accumulation)	202.60	201.26	-0.66
Institutional Shares (Accumulation)	191.79	190.43	-0.71
Institutional Shares (Income)	64.90	63.42	-2.28
X Shares (Net Accumulation)	338.18	336.44	-0.51
X Shares (Net Income)	121.86	119.31	-2.09
Institutional Shares W (Net Income)	117.90	115.26	-2.24
Institutional Shares W (Net Accumulation)	131.39	130.52	-0.66
Retail Advised Shares B (Net Income)	115.67	113.00	-2.31
Retail Advised Shares B (Net Accumulation)	128.35	127.42	-0.72
Newton UK Opportunities Fund			
Sterling Income Shares	278.05	275.09	-1.06
Exempt Shares 2 (Net Accumulation)	277.24	279.21	0.71
Institutional Shares (Accumulation)	262.12	263.85	0.66
X Shares (Net Accumulation)	293.50	296.01	0.86
Institutional Shares W (Net Income)	141.71	139.34	-1.67
Institutional Shares W (Net Accumulation)	149.60	150.66	0.71
Retail Advised Shares B (Net Income)	138.97	136.97	-1.44
Retail Advised Shares B (Net Accumulation)	145.69	146.64	0.65
The Boston Company US Opportunities Fund			
Sterling Income Shares	174.14	165.81	-4.78
Euro Accumulation Shares	123.43	115.11	-6.74
Exempt Shares 1 (Net Accumulation)	172.84	164.92	-4.58
Institutional Shares (Net Accumulation)	164.00	156.34	-4.67
Institutional W (Net Income)	156.44	148.93	-4.80
Institutional W (Net Accumulation)	157.53	150.27	-4.61
Retail Advised B (Net Income)	154.07	146.85	-4.69
Retail Advised B (Net Accumulation)	154.31	147.08	-4.69
Institutional F (Net Income)	124.63	118.78	-4.69
Institutional F (Net Accumulation)	122.52	116.90	-4.59

Investor Information (continued)**Synthetic Risk & Reward Indicators****BNY Mellon Long-Term Global Equity Fund**

	1	2	3	4	5	6	7
Sterling Income Shares							
Institutional Shares (Net Accumulation)							
Exempt Shares 1 (Net Accumulation)							
Exempt Shares 2 (Net Accumulation)							
X Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Insight Corporate Bond Fund (Formerly Newton Corporate Bond Fund)

Sterling Income Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
P Shares (Net Accumulation)							
Institutional F Shares (Net Income)							
Institutional F Shares (Net Accumulation)							

Insight Equity Income Fund

Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Insight Equity Income Booster Fund

Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Insight Global Absolute Return Fund

Sterling Accumulation Shares							
Institutional Shares (Net Accumulation)							
Sterling Income Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Insight Global Multi-Strategy Fund

Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares (Income)							
Institutional Shares (Accumulation)							
S Shares (Net Income)							
S Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Investor Information (continued)**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
Insight Inflation Linked Corporate Bond Fund							
Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares (Net Income)							
Institutional Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
X Shares (Net Accumulation)							
Institutional F Shares (Net Income)							
Institutional F Shares (Net Accumulation)							
Insight Strategic Bond Fund							
Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Institutional Shares (Income)							
Institutional Shares (Accumulation)							
Institutional F Shares (Net Income)							
Institutional F Shares (Net Accumulation)							
Newton 50/50 Global Equity Fund							
Exempt Shares 1 (Net Accumulation)							
X Shares (Net Accumulation)							
Exempt Shares 2 (Net Accumulation)							
Newton Asian Income Fund							
Sterling Income Shares							
Institutional Shares (Net Income)							
Institutional Shares (Net Accumulation)							
X Shares (Net Income)							
Institutional Shares (Net Accumulation) Euro							
Institutional Shares (Net Income) Euro							
Euro Accumulation Shares							
Euro Income Shares							
Institutional Shares (Net Income) USD ⁽¹⁾							
Institutional Shares (Net Accumulation) USD ⁽¹⁾							
USD Income Shares ⁽¹⁾							
USD Accumulation Shares ⁽¹⁾							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
P Shares (Net Income)							
X Shares (Net Accumulation) USD ⁽¹⁾							
Newton Continental European Fund							
Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 1 (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Investor Information (continued)**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
Newton Emerging Income Fund							
Sterling Income Shares							
Sterling Accumulation Shares							
X Shares (Net Income)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Institutional Shares (Net Income)							
Institutional Shares (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Newton European Higher Income Fund							
Sterling Income Shares							
Institutional Shares (Income)							
Institutional Shares (Accumulation)							
X Shares (Net Income)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Newton Global Balanced Fund							
Exempt Shares 1 (Net Accumulation)							
Exempt Shares 2 (Net Accumulation)							
Newton Global Dynamic Bond Fund							
Sterling Income Shares							
Exempt Shares 2 (Gross Accumulation)							
Institutional Shares (Income)							
X Shares (Net Accumulation)							
X Shares (Net Income)							
X Shares (Gross Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Exempt Shares 2 (Gross Income)							
Newton Global Equity Fund							
Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 2 (Net Accumulation)							
Exempt Shares 1 (Net Accumulation)							
X Shares (Net Accumulation)							
Exempt Shares 3 (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Newton Global High Yield Bond Fund							
Sterling Income Shares							
X Shares (Net Accumulation)							
X Shares (Net Income)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
P Shares (Net Accumulation)							

Investor Information (continued)**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
Newton Global Income Fund (Formerly Newton Global Higher Income Fund)							
Sterling Income Shares							
Institutional Shares (Income)							
Institutional Shares (Accumulation)							
Exempt Shares 2 (Net Income)							
X Shares (Net Accumulation)							
X Shares (Net Income)							
Sterling Accumulation Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Exempt Shares 2 (Net Accumulation)							
U Shares (Net Income)							
U Shares (Net Accumulation)							
Newton Global Opportunities Fund							
Sterling Income Shares							
Exempt Shares 2 (Net Accumulation)							
X Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Exempt Shares 2 (Net Income)							
Newton Index Linked Fund							
Exempt Shares 2 (Gross Accumulation)							
Institutional Shares (Net Accumulation)							
X Shares (Gross Accumulation)							
X Shares (Net Income)							
Newton International Bond Fund							
Sterling Income Shares							
Euro Accumulation Shares							
Institutional Shares (Accumulation)							
Institutional Shares (Income)							
Exempt Shares 2 (Gross Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
Newton Long Corporate Bond Fund							
Exempt Shares 1 (Gross Accumulation)							
Exempt Shares 2 (Gross Accumulation)							
Institutional Shares (Net Accumulation)							
X Shares (Gross Accumulation)							
X Shares (Net Income)							

Investor Information (continued)**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
Newton Long Gilt Fund							
Exempt Shares 2 (Gross Accumulation)							
Institutional Shares (Net Accumulation)							
X Shares (Gross Accumulation)							

Newton Multi-Asset Balanced Fund (Formerly Newton Balanced Fund)

Sterling Income Shares							
Institutional Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Newton Multi-Asset Diversified Return Fund (Formerly Newton Phoenix Multi-Asset Fund)

Sterling Income Shares							
Sterling Accumulation Shares							
Exempt Shares 2 (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
X Shares (Net Accumulation)							

Newton Multi-Asset Growth Fund (Formerly Newton Managed Fund)

Sterling Income Shares							
Institutional Shares (Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Newton Multi-Asset Income Fund

Sterling Income Shares							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Institutional Shares F (Net Income)							
Institutional Shares F (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Newton Oriental Fund

Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 1 (Net Accumulation)							
Institutional Shares (Net Accumulation)							
X Shares (Net Accumulation)							
P Shares (Net Income)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Investor Information (continued)**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
Newton Real Return Fund							
Sterling Income Shares							
Sterling Income A Shares							
Exempt Shares 2 (Net Accumulation)							
X Shares (Net Accumulation)							
Institutional Shares (Accumulation)							
X Shares (Net Income)							
Exempt Shares 2 (Net Income)							
Exempt Shares 1 (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							
P Shares (Net Accumulation)							
U Shares (Accumulation)							
U Shares (Income)							

Newton UK Equity Fund

Sterling Income Shares							
Institutional Shares (Net Accumulation)							
Institutional Shares (Net Income)							
X Shares (Net Accumulation)							
Exempt Shares 1 (Net Accumulation)							
Exempt Shares 3 (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Newton UK Income (Formerly Newton Higher Income Fund)

Sterling Income Shares							
Exempt Shares 1 (Net Accumulation)							
Exempt Shares 2 (Net Accumulation)							
Institutional Shares (Accumulation)							
Institutional Shares (Income)							
X Shares (Net Accumulation)							
X Shares (Net Income)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

Newton UK Opportunities Fund

Sterling Income Shares							
Exempt Shares 2 (Net Accumulation)							
Institutional Shares (Accumulation)							
X Shares (Net Accumulation)							
Institutional Shares W (Net Income)							
Institutional Shares W (Net Accumulation)							
Retail Advised Shares B (Net Income)							
Retail Advised Shares B (Net Accumulation)							

The Boston Company US Opportunities Fund

Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 1 (Net Accumulation)							
Institutional Shares (Net Accumulation)							
Institutional W (Net Income)							
Institutional W (Net Accumulation)							
Retail Advised B (Net Income)							
Retail Advised B (Net Accumulation)							
Institutional F (Net Income)							
Institutional F (Net Accumulation)							

Investor Information (continued)

Synthetic Risk & Reward Indicators (continued)

The Synthetic Risk Reward Indicator was changed on the following Funds:

(1) The Synthetic Risk Reward Indicator was changed from category 6 to 5, effective 31st October 2014.

We have calculated the risk and reward category, as shown above, using a method of calculation derived from EU rules. It is based on the rate at which the value of the Fund has moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment.

Please note that these amendments are not due to a change in the investment objectives of the Sub-Fund, but are due to market movements during the reporting period.

Funds in category 3 have in the past shown moderately low volatility. With a fund of category 3, you have a moderately low risk of losing money but your chance for gains is also moderately low.

Funds in category 4 have in the past shown moderate volatility. With a fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Funds in category 5 have in the past shown moderately high volatility. With a fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Funds in category 7 have in the past shown very high volatility. With a fund of category 7, you have a very high risk of losing money but your chance for gains is also very high.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

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