

# **Interim Report & Accounts**

**BNY Mellon Investment Funds**

**All Sub-Funds Report**

**31 December 2014**

**(Unaudited)**

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## Report of the Authorised Corporate Director

### **This is the interim report for BNY Mellon Investment Funds ICVC ('BNYMIF') for the six-month period to 31 December 2014.**

The six months to the end of December 2014 were positive for global equity markets yet not all asset classes or regions made gains. A number of factors contributed to an air of uncertainty and the six-month period was eventful and far from plain sailing. These included the plummeting oil price and speculation about how the European Central Bank (ECB) might address the threat of deflation and whether it would opt for a full-blown asset-purchasing programme. Also notable were the further expansion of the Japanese government's plans to improve its economy and the state of Russia's flagging economy battered by the falling oil price and the imposition of sanctions for its actions in neighbouring Ukraine.

Yet, more than half a decade on from the global financial crisis, market participants seem to have become accustomed to shrugging off their concerns and ploughing on regardless. Loose monetary policy and unequivocal central bank backing has done much to liberate market participants of any constraints that the financial crisis might have left. Merger and acquisition activity is back with a vengeance in the US at least, while consumer confidence in many areas of the developed world is resurgent. Negative surprises, the likes of which might have prompted double-digit market falls just a few years ago, now seem to leave the confidence of investors largely untouched.

However, some elements appear to affect all economies – a weak oil price is one such example. A number of economies are heavily dependent upon the export of oil: for example, oil and gas-related companies make up some 55% of the Russian stock market. Similarly, the shale oil bounce enjoyed by the US in recent years will come under increasing pressure should the price of oil remain around the US\$60 mark. Although a lower oil price can be of economic benefit to many (in the near term, at least), a prolonged period of low prices could have a negative impact upon many others.

In the US, the ending of the US Federal Reserve's asset-purchasing programme after some six years met with a muted response. Meanwhile, economic growth in the US remained strong in the third quarter of the year. The US equity market rose strongly over the six months and while its economy seems in rude health, there continue to be some areas of concern. Elsewhere, in the mid-term elections US President Barack Obama suffered a setback as his Democrats lost control of the US Senate for the first time in eight years and the Republicans also increased their majority in the House of Representatives. While Obama has promised to work with the Republicans in Congress, he has also indicated his preparedness to make more use of his executive powers.

In the eurozone, weak growth continues to influence the actions of the ECB and the threat of deflation looms large. The ECB has demonstrated its preparedness to do "whatever it takes" to bolster the region's growth prospects. In the UK, electioneering is already in full flow ahead of May's general election and there is awareness of the uncertainty that an inconclusive result may bring.

Meanwhile, in Asia, concerns centre on China's overcapacity problems and the sustainability of its current economic growth. In Japan, all eyes are on the progress of the economic plans of Prime Minister Shinzo Abe, dubbed 'Abenomics', which are aimed at reinvigorating the ailing economy. In a move to garner greater support before pressing ahead with the next phase of his government's plans, Abe called a snap election in December. He gained a two-thirds majority: 'Abenomics' will continue apace.

In fixed income (debt issued by governments and companies), positive returns came from less risky areas such as investment grade corporate bonds (debt issued by companies which are rated BBB and above by the credit rating agency Standard & Poor's) and selected government bonds, including long-dated UK Gilts and US Treasuries. These outperformed high yield corporate bonds (debt rated below BBB by Standard & Poor's).

Against this backdrop, the vast majority of the funds held in the portfolio enjoyed a positive six-month period, with The Boston Company's US equity fund among the stronger performers.

Looking ahead, while there are encouraging signs with regards to the global economic recovery, risks remain. Indeed, there are challenges facing both the developed and developing worlds, whether it is large-scale debt reduction or a change of economic focus. Life after the conclusion of asset-purchasing programmes remains an unknown. Such an environment could lead to financial market fluctuations and uncertainty. However, such conditions can also create investment opportunities. We believe our asset managers are well placed to take advantage of those opportunities as and when they arise.

### **David Turnbull**

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

**10 February 2015**

## Market background

### Economic and Market Overview

#### Introduction

Over the six-month period, while asset prices broadly rose, ‘uncertainty’ remained the go-to descriptor of financial market and economic conditions. After more than half a decade of free-flowing money, the US Federal Reserve (Fed) finally concluded its asset-purchasing programme, to the cost of some US\$4.5 trillion. To put that number in context, such an amount could buy every single property in London, more than twice over. In the run-up to the conclusion of the US asset-purchasing programme, concerns centred on whether the post-financial crisis world was prepared for its stabilisers to be removed; these concerns have, thus far at least, proved to be largely unfounded.

However, away from the US, a number of pockets of uncertainty reared their unwelcome heads. Whether in the form of Russia continued stance on Ukraine, from whom it annexed Crimea earlier in the year, unrest in the Middle East, the political uncertainty in the UK as Scotland came perilously close to breaking up the union, the eurozone’s fight with deflation (the opposite of inflation, when the price of goods and services in an economy falls) or the plummeting oil price, there was plenty to keep investors occupied.

Regardless, despite some fluctuations, most asset prices rose over the period as a whole, reflecting a degree of investor confidence that had been lacking since the onset of the financial crisis of 2008.

Against this backdrop, global equity markets rose over the period, with the FTSE All-World Index gaining 7.79% in sterling terms.

#### North America

Just shy of six years on from its commencement, the US Federal Reserve (Fed) finally concluded the ‘tapering’ process of its asset-purchasing programme or quantitative easing (QE) intended to create new money for use in the economy. (‘Tapering’ refers to the reduction of the Fed’s bond buying programme.) The success or failure of the Fed’s QE programmes is likely to be judged in future years but its supporters point to falling unemployment in the US and a strengthened economy. Conversely, critics say it has merely inflated asset prices and provided ‘cheap money’ to investors. While these purchases have now ended, the Fed is not ruling out another round should circumstances require it.

Shortly after month-end, President Barack Obama was dealt a sizeable, if largely expected, blow as the Republicans won control of the US Senate for the first time in eight years in the mid-term elections. The Republicans also increased their majority in the House of Representatives. President Obama has promised to work with the Republicans in Congress but indicated he was also prepared to make more use of his executive powers.

In economic terms, the US remained in good health. Revised data showed the US economy grew by 3.9% in the third quarter compared to a year earlier, a quicker pace than had initially been thought. A first estimate had put growth at 3.5%. GDP had grown at an annualised rate of 4.6% in the second quarter. US consumer confidence, which had risen in October, fell in November, according to The Conference Board. Concerns over business conditions and the state of the job markets weighed on investors’ minds. That said, at the end of November the US unemployment rate sat at 5.8%, its lowest level since July 2008.

In this environment, the FTSE All-World North America Index (which includes Canada) returned 14.85% in sterling terms.

#### Europe

In early December, Mario Draghi, president of the European Central Bank, kept market participants guessing on the timing of a move towards an asset-purchasing programme to rival that seen in the US. Unlike its US and UK peers, the eurozone remains dogged by weak economic growth and concerns of deflation (the opposite of inflation, when the price of goods and services in an economy falls).

In Russia, the Ukraine-related economic sanctions put in place by the West began to bite and the Russian economy entered recession (two quarters of consecutive economic contraction, or negative growth). Its economic travails were worsened by a plummeting currency and the sharp fall in the oil price – around 55% of the Russian stock market is made up of oil and gas companies. In response, the Russian central bank raised interest rates by 6.5% to 17.0% in an effort to stem capital outflows.

UK GDP was unrevised by the Office for National Statistics from the previous estimate for the third quarter of 2014; the UK economy grew by 0.7%. Among other data releases, eurozone annual inflation was expected to be 0.3% in November, down from 0.4% in October, according to a flash estimate from Eurostat, the EU’s statistical office. The eurozone unemployment rate was 11.5% in October, stable compared with September, as revealed by Eurostat.

After a bitterly-fought campaign, the majority (55%) of Scottish voters decisively rejected independence in the Scottish referendum on 18 September, with 45% voting for “Yes”. Shares on the London stock market rose after the “No” result. In the wake of the referendum result, Alex Salmond resigned as Scotland’s first minister and stood down as SNP leader. In response to the outcome, the UK government promised further devolution of powers to Holyrood. Meanwhile, the attention of the major political parties swiftly turned to May’s general election.

The FTSE All-World Europe ex UK Index returned -2.88% over the six months, in sterling terms, while the UK equity market, as measured by the FTSE All-Share Index, returned -0.40%.

## Market background (continued)

### Asia

Japan's economy contracted sharply in the second quarter, the largest fall in growth since the earthquake and tsunami of March 2011. GDP fell by an annualised rate 6.8%, offsetting the bump in demand in the first quarter as consumers brought forward purchases to beat the consumption tax rise that came into force on 1 April. Indeed, Japan entered a recession in the third quarter.

Following the Bank of Japan's announcement of yet another expansion of its asset-purchasing programme in late October – it increased it by ¥80 trillion (around US\$720bn) a year – Prime Minister Shinzo Abe called a snap election for mid-December. Abe wanted to be sure of strong support before pressing on with 'Abenomics', his three-pronged plan designed to turn around the country's struggling economy. He duly won the election with a two-thirds majority.

Data releases from China for October indicated the economy is continuing to slow down, with question marks still present over whether it will be a soft landing or a little more turbulent. GDP growth for the third quarter was released in the second half of October and came in at 7.3% year on year, which is the slowest reading since the first quarter of 2009. Meanwhile, China's attempts to become a domestically led economy also seemed to be faltering with exports rising an above-forecast 11.6% in October from a year earlier, while imports rose a lower 4.6% year on year, taking the country's trade surplus to US\$45.4bn for the month.

However, as one economic star wanes, perhaps another brightens: India is set to become a US\$2 trillion economy, according to the IMF. As a heavy importer of fuel, the slump in commodity prices is proving a boon to India, while inflation could also continue to slow if it is not brought in via high energy costs, say experts. India's stock market, the Sensex, reached another record high in August as investors cheered a speech by Prime Minister Narendra Modi outlining reforms aimed at boosting exports and manufacturing. Modi paid a five-day visit to Japan late in the month to hold talks with his Japanese counterpart, Shinzo Abe. Japan promised to invest US\$35bn in India over five years for various projects, including building smart cities.

Meanwhile, Australia's unemployment rate reached a higher level than the US for the first time since 2007, as it hit 6.4% in July. Elsewhere, New Zealand's general election saw incumbent Prime Minister John Key's National Party re-elected with 47% of the vote.

Against this backdrop, the FTSE All-World Asia Pacific ex Japan Index rose just 5.77% over the period, underperforming other global equity markets. The Japanese market returned 4.75%.

### Fixed Income

A widespread slowdown in the rate at which prices increase (reinforced by a drop in the price of oil) and subdued global growth proved supportive of the major government bond markets. Persistent geopolitical risks (including in Ukraine and the Middle East) also ensured support for assets in so-called 'safe havens' favoured because of their stability in times of crisis. The JP Morgan Global Government Bond Index returned 5.09% in sterling terms.

It was a different story in high-yield credit – debt issued by companies that is rated below BBB by the credit rating agency Standard & Poor's – as investors become more averse in their attitudes towards risk. Contributing factors included the lower price for oil, concerns regarding the eurozone, such as the threat of deflation as well as lingering geopolitical threats, namely the situation in Ukraine. Investment-grade credit – debt rated BBB and above – remained a beneficiary of the macroeconomic trends (slow growth and low inflation) supporting underlying government bonds.

### Currencies and commodities

In currency markets, the dollar benefited from the comparative strength of the US economy and was the strongest performing major currency over the six-month period. It appreciated by close to 10% versus sterling and more than 13% over the euro. The Japanese yen was weak, losing ground against a basket of major currencies, most notably versus the dollar (a fall of more than 18%) and against sterling (a more-than 7% decline).

With respect to commodities, the big story of the half-year was the collapse of oil prices due to a combination of increased supply and faltering world demand. A barrel of West Texas Intermediate crude oil fell from US\$105.37 at the end of June to US\$53.27 at the end of December, a near 50% decline. Gold went from US\$1,327.33 per troy ounce at the end of June to a six-month low of US\$1,140.54 in May, before recovering somewhat to US\$1,184.37 by the end of December. Other commodities also fell, with only live cattle offering a positive return (6.48%) among a range of headline commodities. Aside from oil and gas, which fell sharply, silver was the largest laggard (-26.28%).

BNY Mellon Investment Management EMEA Limited  
January 2015

*All performance data is from 30 June 2014 to 31 December 2014, total return in sterling terms unless otherwise indicated, sourced from FTSE and Bloomberg.*

**BNY MELLON INVESTMENT FUNDS AGGREGATED FINANCIAL STATEMENTS**

## Financial Statements

### Aggregated Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net Capital Gains		985,278,307		420,866,103
Revenue	468,914,908		478,771,359	
Expenses	(157,165,651)		(164,137,844)	
Finance costs: Interest	<u>(29,927)</u>		<u>(21,566)</u>	
Net revenue before taxation	311,719,330		314,611,949	
Taxation	<u>(24,188,949)</u>		<u>(26,891,896)</u>	
Net revenue after taxation		<u>287,530,381</u>		<u>287,720,053</u>
<b>Total return before distributions</b>		<b>1,272,808,688</b>		<b>708,586,156</b>
Finance costs: Distributions		(374,976,499)		(383,800,399)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>897,832,189</u></b>		<b><u>324,785,757</u></b>

### Aggregated Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		32,922,789,944		31,079,773,259
Amounts receivable on issue of shares	2,732,378,684		3,522,998,905	
Amounts payable on cancellation of shares	<u>(2,719,420,491)</u>		<u>(2,622,059,232)</u>	
		12,958,193		900,939,673
Amounts Payable to Shareholders at termination		975		-
Dilution adjustment		1,283,595		2,487,391
Stamp Duty Reserve Tax		11,580		(2,468,895)
Change in net assets attributable to Shareholders from investment activities (see above)		897,832,189		324,785,757
Retained distributions on accumulation shares		172,852,398		163,946,033
Unclaimed distributions		125,850		92,028
<b>Closing net assets attributable to Shareholders</b>		<b><u>34,007,854,724</u></b>		<b><u>32,469,555,246</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		32,238,622,572		31,488,806,549
Debtors	254,896,592		538,922,917	
Cash and bank balances	<u>1,896,618,417</u>		<u>1,499,407,679</u>	
Total other assets		<u>2,151,515,009</u>		<u>2,038,330,596</u>
Total assets		34,390,137,581		33,527,137,145
<b>LIABILITIES</b>				
Investment liabilities		(105,275,807)		(94,042,220)
Bank overdraft	(4,384,523)		(278,919)	
Creditors	(178,621,711)		(283,630,264)	
Distribution payable on income shares	<u>(94,000,816)</u>		<u>(226,395,798)</u>	
Total other liabilities		<u>(277,007,050)</u>		<u>(510,304,981)</u>
Total liabilities		(382,282,857)		(604,347,201)
<b>Net assets attributable to Shareholders</b>		<u><b>34,007,854,724</b></u>		<u><b>32,922,789,944</b></u>

\*Gross of investment liabilities

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

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Walter Scott & Partners Limited
Fund Size:	£308.06m
Comparative Index:	FTSE All World TR GBP
Sector:	The Investment Association Global

Yield as at 31 December 2014:

Sterling Income Shares	0.20%
Institutional Shares (Net Accumulation)	0.72%
Exempt Shares 1 (Net Accumulation)	0.83%
Exempt Shares 2 (Net Accumulation)	0.95%
X Shares (Net Accumulation)	1.62%
Institutional Shares W (Net Income)	0.97%
Institutional Shares W (Net Accumulation)	0.95%
Retail Advised Shares B (Net Income)	0.67%
Retail Advised Shares B (Net Accumulation)	0.66%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	8.72%	15.23%	12.24%	-3.59%	14.09%
Institutional Shares (Net Accumulation)	9.33%	15.88%	12.87%	-3.05%	14.76%
Exempt Shares 1 (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
Exempt Shares 2 (Net Accumulation)	9.61%	16.17%	13.15%	-2.81%	15.04%
X Shares (Net Accumulation)*	10.44%	17.04%	14.01%	-2.09%	n/a
Institutional Shares W (Net Income)*	9.62%	16.09%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	9.63%	16.18%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	9.26%	15.80%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	9.26%	15.80%	n/a	n/a	n/a
FTSE All World TR GBP	11.30%	21.03%	12.00%	-6.57%	16.74%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 8.25% against 7.83% for the FTSE All World Index TR.

On an absolute basis, regional returns were led by US companies, followed by Pacific ex Japan holdings. UK stocks declined on average and were the greatest detractors. The sole Canadian stock also detracted from performance. In relative terms, Pacific ex Japan and emerging markets were the strongest contributors. UK holdings lagged behind their regional index and were the primary detractors.

In absolute terms, energy sector stocks were the only detractors. All other sectors were positive, with the technology sector the greatest contributors. In relative terms, materials and technology led their respective sector indices and were the most notable contributors. Energy stocks were the key relative detractors, mostly due to the Fund's greater exposure to the sector. Financial stocks also lagged their sector indices.

Currency movements added to both Fund and index return as sterling weakened against most major currencies.

Two new holdings were added to the Fund during the period; Gilead Sciences and Novartis. Gilead Sciences is one of the largest biopharmaceutical companies in the world whose Sovaldi treatment for Hepatitis C has been a success. Due to its high cure rate, the drug has recorded the highest ever quarterly sales for a single drug in US pharmacological history. The successor to this drug, Harvoni, was approved by the Food and Drug Administration in late October 2014. The early signs are that this drug is poised to break all records. The company also has a market-leading HIV franchise and a promising oncology pipeline which bodes well for the future.

Novartis is one of the largest diversified pharmaceutical companies in the world. Novartis' research and development has generated a strong pipeline with several new drugs that have been recently approved or are hoping to gain approval in the coming years which will drive future growth. The success of Novartis is evident in its strong financial structure. It has low levels of debt and a high cash return on investment.

In addition, the holding in Sigma-Aldrich was sold during the period and a number of holdings changed as a result of cash flows.

The table below shows the top ten purchases and sales during the period.

Purchases	Sales
Gilead Sciences	Sigma-Aldrich
Novartis	EOG Resources
Fastenal	Schlumberger
Honda Motor	Microsoft
Standard Chartered	CNOOC
CNOOC	Hong Kong & China Gas
Reckitt Benckiser	Auto Data Process
Denso	Adobe Systems
Taiwan Semiconductor Manufacturing ADS(each representing 5 ordinary shares)	Cisco Systems
BG	Stryker

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 17 September)	104.71	94.81	n/a
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	104.72	98.67	n/a
2013	124.30	104.22	1.1644
2014	130.54	112.42	1.2421
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	104.72	98.67	n/a
2013	124.30	104.22	1.0960
2014	133.37	113.65	1.2502
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 25 September)	103.92	98.25	n/a
2013	123.19	103.24	0.8045
2014	129.63	111.58	0.8491
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 25 September)	103.92	98.25	n/a
2013	123.19	103.42	0.8104
2014	131.48	112.38	0.8575

\*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
<b>Sterling Income Shares</b>			
30/06/2012	5,242,690	Pence 128.40	4,083,178
30/06/2013	27,369,529	153.15	17,870,832
30/06/2014	13,241,682	158.67	8,345,339
31/12/2014	10,398,739	171.27	6,071,497
<b>Institutional Shares (Net Accumulation)</b>			
30/06/2012	68,803,323	Pence 142.34	48,335,714
30/06/2013	77,455,339	171.39	45,192,960
30/06/2014	68,838,926	178.97	38,463,942
31/12/2014	74,748,171	193.74	38,582,134
<b>Exempt Shares 1 (Net Accumulation)</b>			
31/12/2014	19,919,070	Pence 103.18	19,304,714
<b>Exempt Shares 2 (Net Accumulation)</b>			
30/06/2012	60,432,413	Pence 143.89	41,997,908
30/06/2013	84,608,349	173.69	48,711,934
30/06/2014	94,539,666	181.82	51,995,862
31/12/2014	94,547,060	197.08	47,974,302
<b>X Shares (Net Accumulation)</b>			
30/06/2012	53,954,057	Pence 104.22	51,766,962
30/06/2013	72,029,444	126.73	56,838,529
30/06/2014	78,206,112	133.68	58,503,357
31/12/2014	52,937,324	145.44	36,397,516
<b>Institutional Shares W (Net Income)</b>			
30/06/2013	315,368	Pence 114.68	274,991
30/06/2014	10,073,392	118.68	8,487,618
31/12/2014	14,765,044	128.64	11,477,737
<b>Institutional Shares W (Net Accumulation)</b>			
30/06/2013	6,247,277	Pence 115.85	5,392,600
30/06/2014	19,062,014	121.24	15,721,919
31/12/2014	40,648,932	131.43	30,928,648
<b>Retail Advised Shares B (Net Income)</b>			
30/06/2013	5,625	Pence 111.52	5,044
30/06/2014	5,970	118.05	5,057
31/12/2014	6,505	127.72	5,093
<b>Retail Advised Shares B (Net Accumulation)</b>			
30/06/2013	50,005	Pence 109.52	45,659
30/06/2014	79,188	119.73	66,137
31/12/2014	85,691	129.57	66,137

**Statistics (continued)**

**Ongoing Charges**

Share Class	31/12/2014 %	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)	1.15	1.14
Retail Advised Shares B (Net Accumulation)	1.15	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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>United Kingdom 6.67% (7.44%)</b>			
BG	486,817	4,210,480	1.37
HSBC	862,808	5,251,049	1.70
Indivior	114,035	169,570	0.05
Reckitt Benckiser	114,035	5,941,223	1.93
Standard Chartered	517,591	4,984,401	1.62
<b>Australia 3.48% (3.54%)</b>			
CSL	141,127	6,410,655	2.08
Woodside Petroleum	217,213	4,320,662	1.40
<b>Canada 1.34% (1.89%)</b>			
Suncor Energy	202,770	4,140,730	1.34
<b>Denmark 1.71% (1.96%)</b>			
Novo Nordisk	193,896	5,257,991	1.71
<b>France 4.07% (4.06%)</b>			
Essilor International	43,191	3,102,860	1.01
Hermes	1,404	319,470	0.10
L'Oréal	57,018	6,152,926	2.00
LVMH Moët Hennessy	28,792	2,952,825	0.96
<b>China 0.96% (0.00%)</b>			
China Shenhua Energy	1,560,500	2,948,905	0.96
<b>Hong Kong 8.44% (9.42%)</b>			
AIA	1,717,600	6,108,032	1.98
China Mobile (Hong Kong)	748,500	5,614,485	1.82
CLP	624,000	3,457,564	1.12
CNOOC	5,657,000	4,884,246	1.59
Hong Kong & China Gas	4,043,569	5,925,697	1.93
<b>Japan 9.80% (9.71%)</b>			
Denso	156,600	4,732,858	1.54
Fanuc	54,000	5,759,730	1.87
Honda Motor	273,200	5,149,912	1.67
Keyence	11,798	3,395,267	1.10
Komatsu	365,700	5,250,380	1.70
Shin-Etsu Chemical	140,500	5,910,964	1.92
<b>Singapore 2.10% (1.98%)</b>			
Oversea-Chinese Banking	1,279,137	6,475,546	2.10
<b>Spain 1.83% (1.86%)</b>			
Inditex	306,420	5,637,101	1.83
<b>Sweden 2.05% (1.94%)</b>			
Hennes & Mauritz series 'B' shares	236,187	6,300,307	2.05

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Switzerland 9.27% (8.17%)</b>			
Nestlé	121,794	5,730,650	1.86
Novartis	99,403	5,921,772	1.92
Roche	31,058	5,408,364	1.76
SGS (Registered)	2,549	3,362,801	1.09
Swatch	8,968	2,569,976	0.83
Syngenta	26,999	5,571,098	1.81
<b>Taiwan 2.11% (1.92%)</b>			
Taiwan Semiconductor Manufacturing ADS (each representing 5 ordinary shares)	452,267	6,488,512	2.11
<b>United States of America 43.92% (42.77%)</b>			
Adobe Systems	130,932	6,103,862	1.98
Amphenol	112,296	3,874,635	1.26
Auto Data Process	105,255	5,627,776	1.83
Cisco Systems	337,760	6,024,118	1.96
Colgate-Palmolive	136,124	6,038,606	1.96
EOG Resources	85,243	5,032,849	1.63
Fastenal	211,171	6,441,105	2.09
Gilead Sciences	103,846	6,277,047	2.04
Google	8,308	2,804,713	0.91
Google class 'A' shares	7,175	2,441,548	0.79
Intuitive Surgical	10,951	3,714,877	1.21
Johnson & Johnson	87,508	5,868,662	1.90
MasterCard class 'A' shares	120,982	6,686,695	2.17
Microsoft	198,050	5,899,902	1.92
MSC Industrial Direct	28,509	1,485,558	0.48
Nike class 'B' shares	114,507	7,058,052	2.29
Oracle	239,869	6,918,011	2.25
Praxair	70,045	5,821,473	1.89
Precision Castparts	38,232	5,904,781	1.92
Qualcomm	122,342	5,831,302	1.89
Schlumberger	83,072	4,549,314	1.48
Stryker	110,164	6,661,769	2.16
TJX	153,769	6,762,187	2.19
Wal-Mart Stores	103,576	5,705,399	1.85
WW Grainger	35,306	5,769,647	1.87
<b>Portfolio of investments</b>		<b>301,122,897</b>	<b>97.75</b>
<b>Net current assets</b>		<b>6,933,639</b>	<b>2.25</b>
<b>Total Net Assets</b>		<b>308,056,536</b>	<b>100.00</b>
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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		22,373,643		9,690,948
Revenue	2,525,975		2,148,560	
Expenses	(1,063,751)		(1,025,265)	
Finance costs: Interest	(1,284)		(3,706)	
Net revenue before taxation	1,460,940		1,119,589	
Taxation	(249,401)		(214,488)	
Net revenue after taxation		<u>1,211,539</u>		<u>905,101</u>
<b>Total return before distributions</b>		23,585,182		10,596,049
Finance costs: Distributions		(71,530)		86,045
<b>Change in net assets attributable to Shareholders from investment activities</b>		<u><b>23,513,652</b></u>		<u><b>10,682,094</b></u>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		284,046,950		268,080,936
Amounts receivable on issue of shares	52,726,235		29,023,396	
Amounts payable on cancellation of shares	(52,275,617)		(24,536,400)	
		450,618		4,486,996
Dilution adjustment		45,101		(18,508)
Stamp Duty Reserve Tax		-		(5,038)
Change in net assets attributable to Shareholders from investment activities (see above)		23,513,652		10,682,094
Unclaimed distributions		215		-
<b>Closing net assets attributable to Shareholders</b>		<u><b>308,056,536</b></u>		<u><b>283,226,480</b></u>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		301,122,897		274,551,975
Debtors	1,022,603		1,404,254	
Cash and bank balances	6,299,579		8,865,664	
Total other assets		<u>7,322,182</u>		<u>10,269,918</u>
Total assets		308,445,079		284,821,893
<b>LIABILITIES</b>				
Creditors	(388,543)		(640,240)	
Distribution payable on income shares	-		(134,703)	
Total other liabilities		<u>(388,543)</u>		<u>(774,943)</u>
Total liabilities		(388,543)		(774,943)
<b>Net assets attributable to Shareholders</b>		<u><b>308,056,536</b></u>		<u><b>284,046,950</b></u>

**Portfolio transaction costs**

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Analysis of total purchase costs:				
Purchases before transaction costs		44,418,101		21,968,579
Commissions	29,532		18,422	
Taxes	28,163		5,032	
		<u>57,695</u>		<u>23,454</u>
<b>Total purchase costs</b>		<b>44,475,796</b>		<b>21,992,033</b>
Analysis of total sales proceeds:				
Sales before transaction costs		40,392,388		15,760,423
Commissions	(16,213)		(12,842)	
Taxes	(2,255)		(976)	
		<u>(18,468)</u>		<u>(13,818)</u>
<b>Total sales net of transaction costs</b>		<b>40,373,920</b>		<b>15,746,605</b>

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

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£47.48m
Comparative Index:	Markit iBoxx Sterling Collateralized & Corp TR GBP
Sector:	The Investment Association £ Corporate Bond
Distribution Yield as at 31 December 2014:	
Sterling Income Shares	4.06%
Institutional Shares W (Net Income)	4.12%
Institutional Shares W (Net Accumulation)	4.13%
Retail Advised Shares B (Net Income)	4.06%
Retail Advised Shares B (Net Accumulation)	4.07%
P Shares (Net Accumulation)	4.13%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
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
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
P Shares (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
Markit iBoxx Sterling Collateralized & Corp TR GBP	12.46%	1.59%	15.08%	6.65%	9.39%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 3.35% against 3.50% for The Investment Association £ Corporate Bond Sector.

Insight Investment assumed responsibility for this Fund on 1 October 2014.

The majority of the underperformance came in final three months of the review period as geopolitical concerns, mixed economic data and the rapidly falling oil price meant that government bond yields continued to fall. The European bond market benefited from a more dovish European Central Bank (ECB), with increasing speculation that the ECB would implement sovereign bond quantitative easing (bond buying programme) in January 2015. This supported euro-denominated corporate bonds in particular.

In terms of Fund performance, while having an underweight position in the oil-hit energy sector was beneficial to returns, being overweight financials and securitised bonds detracted from performance. In addition, US dollar-denominated bonds, to which the Fund has a preference, underperformed compared to their sterling and euro-denominated peers. In terms of security selection, the Fund's exposure to BBVA and EDF was beneficial to performance.

However, positions in Erste Bank, Petrobras and Tesco detracted from returns. In terms of activity, the Fund was rebalanced at the start of October and thereafter the Fund added a US dollar-denominated bond from Verizon and bought a sterling new issue from BskyB. In financials, a subordinated financial exposure, with a bias towards peripheral eurozone banks such as Intesa San Paolo and Bankia. Axa and RBS was added after the Scottish Referendum result. (Subordinated is debt that is ranked below other debt in terms of claims on assets.)

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

<b>Purchases</b>	<b>Sales</b>
UK Treasury Gilt 4.25% 07/06/2032	UK Treasury Gilt 4.25% 07/06/2032
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	Temasek Financial I 5.125% Guaranteed European Medium Term Bonds 26/7/2040
Bank of America 7% Guaranteed Senior European Medium Term Bonds 31/7/2028	BUPA Finance 6.125% Guaranteed Perpetual Floating Rate Bonds 29/12/2049
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
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	Intercontinental Hotels 6.00% Guaranteed European Medium Term Bonds 9/12/2016
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	Compass 7.00% Senior Bonds 8/12/2014
Galp Energia 3.00% Bonds 14/1/2021	John Lewis 8.375% Senior European Medium Term Notes 8/4/2019
AXA 5.453% Subordinated Perpetual Floating Rate Notes	BG Energy Capital 5.125% Guaranteed European Medium Term Bonds 01/12/2025

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	81.00	74.66	3.3988
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
<b>X Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	95.40	84.42	3.9923
2011 (to 3 February)	92.56	91.70	0.3702
**X Shares (Net Accumulation) share class closed on 03 February 2011.			
<b>P Shares (Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	103.05	99.66	1.3353
2013	105.80	99.67	3.4239
2014	107.59	100.59	3.2528
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	104.07	99.66	1.3419
2013	108.35	102.69	3.5227
2014	115.51	105.39	3.4558
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	101.92	99.85	0.9475
2013	104.55	98.41	3.3246
2014	105.90	99.24	3.1183
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	102.55	99.85	0.9506
2013	106.65	101.03	3.4083
2014	113.15	103.52	3.3783
<b>P Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 12 October)	102.38	100.00	0.8774
2013	106.41	100.78	3.4565
2014	112.56	103.16	3.2908

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	51,105,732	78.86	64,806,071
30/06/2013	80,667,928	81.64	98,811,501
30/06/2014	49,167,574	83.76	58,702,957
31/12/2014	43,151,788	86.22	50,051,187
<b>P Shares (Income)***</b>		<b>Pence</b>	
30/06/2012	14,887	99.25	15,000
30/06/2013	324,865	102.75	316,182
***P Shares (Net Income) share class closed 23 September 2013.			
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	399,912	99.75	400,898
30/06/2014	7,734,664	102.85	7,520,043
31/12/2014	3,975,294	106.01	3,750,024
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	24,493	102.73	23,842
30/06/2014	347,998	109.38	318,143
31/12/2014	279,119	114.61	243,531
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,043	98.54	5,118
30/06/2014	5,354	101.35	5,283
31/12/2014	18,163	104.40	17,398
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	8,447	101.07	8,358
30/06/2014	3,626	107.28	3,380
31/12/2014	5,200	112.26	4,632
<b>P Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	85,108	100.82	84,420
30/06/2014	48,417	106.81	45,331
31/12/2014	50,618	111.66	45,331

**Ongoing Charges**

Share Class	31/12/2014	30/06/2014
	%	%
Sterling Income Shares	1.23	1.17
Institutional Shares W (Net Income)	0.65	0.62
Institutional Shares W (Net Accumulation)	0.65	0.61
Retail Advised Shares B (Net Income)	0.98	0.93
Retail Advised Shares B (Net Accumulation)	0.98	0.92
P Shares (Net Accumulation)	1.16	1.10

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, Depository, 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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Sterling Denominated Corporate Bonds 73.55% (83.52%)</b>			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£650,000	683,898	1.44
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/4/2021	£500,000	594,158	1.25
Abbey National Treasury Services 5.25% Guaranteed European Medium Term Bonds 16/2/2029	£200,000	260,749	0.55
Affinity Sutton 4.25% European Medium Term Bonds 8/10/2042	£590,000	646,198	1.36
Annington Finance No 4 0% Guaranteed Bonds 10/1/2023	£1,000,000	785,020	1.65
AT&T 4.25% Senior Bonds 1/6/2043	£310,000	311,172	0.66
AXA 5.453% Subordinated Perpetual Floating Rate Notes	£592,000	590,520	1.24
Bank of America 7% Guaranteed Senior European Medium Term Bonds 31/7/2028	£600,000	833,511	1.76
Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 20/12/2024	£400,000	488,641	1.03
Barclays 10% Guaranteed Subordinated European Medium Term Bonds 21/5/2021	£260,000	344,716	0.73
BAT International Finance 5.75% Guaranteed European Medium Term Bonds 5/7/2040	£500,000	664,843	1.40
BPCE 5.25% Subordinated Notes 16/4/2029	£400,000	428,784	0.90
Broadgate Financing 4.821% Guaranteed Bonds 5/7/2036	£350,000	422,800	0.89
Centrica 6.375% Guaranteed Senior European Medium Term Bonds 10/3/2022	£450,000	554,585	1.17
Citigroup 6.8% Guaranteed Senior European Medium Term Bonds 25/6/2038	£158,000	233,028	0.49
Coventry Building Society 5.875% Guaranteed Senior European Medium Term Bonds 28/9/2022	£500,000	611,758	1.29
CPUK Finance 7.239% Senior European Medium Term Bonds 28/2/2042	£400,000	519,731	1.09
Dong Energy 4.875% Guaranteed Senior European Medium Term Bonds 12/1/2032	£650,000	748,170	1.58
E.ON International Finance 6.375% Guaranteed European Medium Term Bonds 7/6/2032	£400,000	531,615	1.12
Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	£700,000	877,438	1.85
Electricite de France 6% Perpetual Subordinated Floating Rate Bonds	£500,000	531,350	1.12
Enel Finance International 5.75% Guaranteed European Medium Term Bonds 14/9/2040	£200,000	244,779	0.52
Enel-Societa Per Azioni 5.75% Senior European Medium Term Bonds 22/6/2037	£380,000	460,377	0.97
Enterprise Inns 6.5% Guaranteed Senior Bonds 6/12/2018	£375,000	385,064	0.81
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	£700,000	984,270	2.07
GlaxoSmithKline Capital 5.25% Guaranteed European Medium Term Bonds 19/12/2033	£600,000	759,000	1.60
Health Care 4.5% Medium Term Notes 1/12/2034	£250,000	259,250	0.55
Health Care REIT 4.8% Senior Notes 20/11/2028	£500,000	547,306	1.15
Heathrow Funding 4.625% Senior European Medium Term Notes 31/10/2048	£300,000	325,943	0.69
Heathrow Funding 5.225% Guaranteed Senior European Medium Term Bonds 15/2/2025	£600,000	696,739	1.47
High Speed Rail Financial 4.375% European Medium Term Notes 1/11/2038	£310,000	351,531	0.74
HSBC 5% Guaranteed Subordinated Floating Rate European Medium Term Notes 20/3/2023	£600,000	638,820	1.35
HSBC 6.75% Guaranteed Subordinated Bonds 11/9/2028	£500,000	624,776	1.32
HSBC 7% Guaranteed Subordinated European Medium Term Bonds 7/4/2038	£300,000	394,543	0.83
Intu SGS Finance 4.25% European Medium Term Notes 17/9/2030	£300,000	314,925	0.66
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£326,768	392,746	0.83
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£600,000	710,879	1.50
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£490,000	676,200	1.42
Leek Finance Number Nineteen 0.97963% Bonds 21/12/2038	£400,000	391,079	0.82
Lloyds TSB 6.5% Guaranteed Senior European Medium Term Bonds 17/9/2040	£81,000	115,798	0.24
Mitchells & Butlers Finance 6.013% Guaranteed Asset Backed Bonds 15/12/2030	£429,000	514,362	1.08
NGG Finance 5.625% Floating Rate Notes 18/6/2073	£417,000	442,020	0.93
Orange 5.625% Guaranteed Senior Bonds 23/1/2034	£400,000	492,600	1.04
Petrobras Global Finance 6.625% Guaranteed Bonds 16/1/2034	£500,000	422,505	0.89
Precise Mortgage Fund 2 Floating Rate Notes 12/12/2047	£150,000	150,000	0.32
Precise Mortgage Fund 2 Floating Rate Notes 12/12/2047	£150,000	150,000	0.32
Prudential 11.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 29/5/2039	£300,000	396,936	0.84
Punch Taverns Finance 6.82% Guaranteed Bonds 15/7/2020	£49,500	55,752	0.12
Punch Taverns Finance 7.274% Guaranteed Bonds 15/4/2022	£225,000	255,375	0.54
Royal Bank of Scotland 5.125% Guaranteed Senior European Medium Term Bonds 13/1/2024	£200,000	246,028	0.52
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	£650,000	672,620	1.42
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£300,000	365,619	0.77
RWE Finance 6.125% Guaranteed European Medium Term Bonds 6/7/2039	£600,000	782,957	1.65
Scottish Widows 5.5% Bonds 16/6/2023	£500,000	536,600	1.13
Scottish Widows 7% Subordinated Bonds 16/6/2043	£200,000	248,190	0.52
Severn Trent 6% Guaranteed European Medium Term Notes 22/1/2018	£400,000	450,461	0.95

**Portfolio Statement (continued)**

as at 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Sterling Denominated Corporate Bonds (continued)</b>			
Sky 4% European Medium Term Notes 26/11/2029	£500,000	517,385	1.09
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£1,250,000	1,175,000	2.47
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£600,000	618,792	1.30
Southern Gas Network 4.875% Guaranteed European Medium Term Bonds 21/3/2029	£600,000	704,137	1.48
Southern Water Services Finance 5.125% Guaranteed Senior European Medium Term Bonds 30/9/2056	£596,000	744,664	1.57
SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	£360,000	365,537	0.77
Taurus 2014-1 3.05475% Floating Rate Mortgage Backed Securities 1/5/2022	£239,700	242,387	0.51
TDC 5.625% Guaranteed Senior European Medium Term Bonds 23/2/2023	£500,000	578,422	1.22
Telefonica Emisiones 5.445% Guaranteed European Medium Term Bonds 8/10/2029	£400,000	471,012	0.99
Tesco Property Finance 2 6.0517% Guaranteed Mortgage Backed Bonds 13/10/2039	£471,458	496,639	1.04
Tesco Property Finance 6 5.4111% Guaranteed Mortgage Backed Bonds 13/7/2044	£499,913	469,138	0.99
Time Warner Cable 5.25% Guaranteed Bonds 15/7/2042	£160,000	186,566	0.39
Virgin Media Secured Finance 6% Senior Notes 15/4/2021	£250,000	263,188	0.55
Wellcome Trust Finance 4% Guaranteed Bonds 9/5/2059	£200,000	244,300	0.51
WHG Treasury 4.25% Senior Bonds 6/10/2045	£300,000	323,041	0.68
White City Property Finance 5.1202% Guaranteed Bonds 17/4/2035	£336,498	401,130	0.84
<b>Non-Sterling Denominated Corporate Bonds 24.14% (12.49%)</b>			
Access Midstream Partners 4.875% Bonds 15/3/2024	USD 570,000	371,044	0.78
ALME Loan Funding II 2.291567% Bonds 15/8/2027	EUR 350,000	270,189	0.57
Altria Group 10.2% Bonds 6/2/2039	USD 300,000	334,996	0.71
Assicurazioni Generali 10.125% Floating Rate European Medium Term Bonds 10/7/2042	EUR 700,000	752,396	1.58
Babson 0% Collateralised Loan Obligation 25/11/2027	EUR 500,000	380,216	0.80
Bankia 4% Subordinated Floating Rate Notes 22/5/2024	EUR 800,000	605,332	1.27
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD 330,000	231,413	0.49
BBVA RMBS 2 Fondo de Titulizacion de Activos 0.262% Mortgage Backed Floating Rate Notes 17/9/2050	EUR 400,000	277,266	0.58
BBVA RMBS 2 Fondo de Titulizacion de Activos 0.282% Bonds 17/9/2050	EUR 400,000	248,134	0.52
Boats Investments Netherlands 7.579% European Medium Term Notes 15/12/2015	EUR 350,000	1,358	0.00
Carlyle Global Market Strategies 2014-2 3.80773% Collateralised Loan Obligation 15/8/2027	EUR 500,000	381,396	0.80
Channel Link 2.917% Guaranteed Bonds 30/6/2050	EUR 210,000	161,751	0.34
Chapel BV 0.261% Asset Backed Floating Rate Notes 17/7/2066	EUR 377,035	279,132	0.59
Citigroup 8.125% Guaranteed Senior Bonds 15/7/2039	USD 400,000	392,736	0.83
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR 400,000	379,316	0.80
ConvaTec Healthcare 7.375% Notes 15/12/2017	EUR 350,000	281,483	0.59
Credit Agricole 8.125% Bonds 19/9/2033	USD 550,000	393,536	0.83
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD 1,400,000	852,974	1.80
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR 200,000	182,127	0.38
Eurosail 2006-2bl 0.4806% Mortgage Backed Floating Rate Notes 12/2044	USD 300,000	170,974	0.36
Fondo de Titulizacion de Activos Santander Financiacion 0.6310% FRN 20/7/2035	EUR 400,000	279,700	0.59
Hellas Telecommunications Finance 0% Bonds 15/7/2015	EUR 1,117,936	6,941	0.01
ING Bank 3.625% Subordinated Floating Rate European Medium Term Notes 25/2/2026	EUR 471,000	393,725	0.83
Intesa Sanpaolo 3.928% Subordinated Bonds 15/9/2026	EUR 650,000	515,581	1.09
Jubilee 2013-X BV 3.999% Collateralised Loan Obligation 15/8/2025	EUR 350,000	267,653	0.57
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 333,707	237,736	0.50
Monastery 2006-I BV 0.428% Mortgage Backed Floating Rate Notes 17/11/2044	EUR 239,390	172,440	0.36
Newgate Funding 2006-3 0.306% Mortgage Backed Floating Rate Notes 1/12/2050	EUR 400,000	267,811	0.56
Royal Bank of Scotland 3.625% Subordinated Floating Rate European Medium Term Notes 25/3/2024	EUR 756,000	592,514	1.25
Royal Caribbean Cruises 5.25% Bonds 15/11/2022	USD 600,000	404,040	0.85
UBS 4.75% Floating Rate European Medium Term Notes 12/2/2026	EUR 500,000	416,071	0.88
Utrecht Funding BV 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR 316,883	246,658	0.52
Verizon Communications 4.4% Bonds 1/11/2034	USD 600,000	382,484	0.81
Verizon Communications 6.4% Senior Notes 15/9/2033	USD 101,000	79,788	0.17
WinStar Communications 12.75% Senior Notes 15/4/2010	EUR 900,000	0	0.00
Yamana Gold 4.95% Bonds 15/7/2024	USD 400,000	250,371	0.53

**Portfolio Statement (continued)**

as at 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Kazakhstan Equities 0.00% (0.00%)</b>			
Alliance Bank GDR	220	0	0.00
<b>Preference Shares 0.00% (0.00%)</b>			
Alliance Bank Preference Shares GDR	120	0	0.00
<b>Derivatives 0.74% (0.37%)</b>			
<b>Credit Default Swaps 0.01% (0.00%)</b>			
Barclays 5.00% 20/12/2019 Credit Default Swap	USD 1,200,000	(49,698)	(0.11)
Barrick Gold Corporation 1.00% 20/03/2020 Credit Default Swap	USD 1,000,000	27,522	0.06
Tesco Plc 1.00% 20/12/2019 Credit Default Swap	EUR 900,000	28,564	0.06
<b>Interest Rate Swaps 0.23% (0.00%)</b>			
Receive GBP 6 Months Pay 2.796% 03/10/34	£1,000,000	111,123	0.23
Deliver GBP 6 Months Pay 2.796% 03/10/34	£(1,000,000)	(1,775)	0.00
<b>GBP Forward Foreign Currency Contracts 0.35% (0.00%)</b>			
Forward Foreign Currency Contracts 07/01/15	£816,349	816,349.00	1.72
Forward Foreign Currency Contracts 07/01/15	EUR (1,020,000)	(791,617.00)	(1.67)
Forward Foreign Currency Contracts 09/01/15	£1,342,496	1,342,496.00	2.83
Forward Foreign Currency Contracts 09/01/15	USD (2,106,000)	(1,350,693.00)	(2.84)
Forward Foreign Currency Contracts 21/01/15	£978,949	978,949.00	2.06
Forward Foreign Currency Contracts 21/01/15	EUR (1,233,000)	(957,167.00)	(2.02)
Forward Foreign Currency Contracts 28/01/15	£1,954,029	1,954,029.00	4.12
Forward Foreign Currency Contracts 28/01/15	USD (3,051,000)	(1,957,071.00)	(4.12)
Forward Foreign Currency Contracts 06/02/15	£6,281,489	6,281,489.00	13.23
Forward Foreign Currency Contracts 06/02/15	EUR (7,916,000)	(6,146,863.00)	(12.95)
Forward Foreign Currency Contracts 11/02/15	£419,682	419,682.00	0.88
Forward Foreign Currency Contracts 11/02/15	USD (659,000)	(422,763.00)	(0.89)
<b>EUR Forward Foreign Currency Contracts -0.01% (0.36%)</b>			
Forward Foreign Currency Contracts 21/01/15	EUR 276,000	214,257	0.45
Forward Foreign Currency Contracts 21/01/15	£(216,830)	(216,830)	(0.46)
<b>Futures 0.16% (0.00%)</b>			
EURO-BOBL 50 Future Expires March 2015	EUR (19)	(12,533)	(0.02)
Euro-Bund Future Expires March 2015	EUR (13)	(22,397)	(0.05)
Long Gilt Future Expires March 2015	£51	150,060	0.32
US 10 Year Note Future (CBT) Expires March 2015	USD (14)	(5,171)	(0.01)
US 5 Year Note Future (CBT) Expires March 2015	USD (23)	356	0.00
US Bond Future (CBT) Expires March 2015	USD (7)	(12,666)	(0.03)
US Ultra Bond Future (CBT) Expires March 2015	USD (5)	(23,825)	(0.05)
<b>Portfolio of investments*</b>		<b>46,735,162</b>	<b>98.43</b>
<b>Net current assets</b>		<b>745,020</b>	<b>1.57</b>
<b>Total Net Assets</b>		<b>47,480,182</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, 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 securities issued by the relevant companies or issuers.

GDR = Global Depositary Receipt

\*Net of investment liabilities.

**Portfolio Statement by Credit Rating**

as at 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000's) 31/12/2014</b>	<b>Total Net Assets (%) 31/12/2014</b>	<b>Total Net Assets (%) 30/06/2014</b>
AAA	2,011	4.23	8.07
AA	3,608	7.60	9.98
A	10,537	22.19	28.19
BBB	19,278	40.60	32.58
BB	4,358	9.18	4.11
Not rated (by S&P)	5,143	10.83	8.91
Derivatives	354	0.75	0.37
<b>Portfolio of investments</b>	<b>46,735</b>	<b>98.43</b>	<b>97.53</b>
<b>Net current assets</b>	<b>745</b>	<b>1.57</b>	<b>2.47</b>
<b>Total Net Assets</b>	<b>47,480</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		1,536,469		667,322
Revenue	1,109,558		1,846,103	
Expenses	<u>(279,174)</u>		<u>(478,372)</u>	
Net revenue before taxation	830,384		1,367,731	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>830,384</u>		<u>1,367,731</u>
<b>Total return before distributions</b>		<b>2,366,853</b>		<b>2,035,053</b>
Finance costs: Distributions		(967,283)		(1,784,671)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>1,399,570</u></b>		<b><u>250,382</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		57,307,633		81,515,796
Amounts receivable on issue of shares	1,510,274		7,203,632	
Amounts payable on cancellation of shares	<u>(12,770,540)</u>		<u>(5,695,017)</u>	
		(11,260,266)		1,508,615
Dilution adjustment		24,718		-
Change in net assets attributable to Shareholders from investment activities (see above)		1,399,570		250,382
Retained distributions on accumulation shares		5,214		3,074
Unclaimed distributions		3,313		3,113
<b>Closing net assets attributable to Shareholders</b>		<b><u>47,480,182</u></b>		<b><u>83,280,980</u></b>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		46,884,935		55,925,841
Debtors	967,610		1,751,155	
Cash and bank balances	<u>351,322</u>		<u>598,896</u>	
Total other assets		<u>1,318,932</u>		<u>2,350,051</u>
Total assets		48,203,867		58,275,892
<b>LIABILITIES</b>				
Investment liabilities		(149,773)		(33,825)
Creditors	(294,159)		(789,432)	
Distribution payable on income shares	<u>(279,753)</u>		<u>(145,002)</u>	
Total other liabilities		<u>(573,912)</u>		<u>(934,434)</u>
Total liabilities		(723,685)		(968,259)
<b>Net assets attributable to Shareholders</b>		<u><b>47,480,182</b></u>		<u><b>57,307,633</b></u>

\*Gross of investment liabilities.

**Distribution Statements**

for the six months ended 31 December 2014

**Interim interest distribution in pence per Share**

	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 December 2014
						Group 2: Shares purchased 1 December 2014 to 31 December 2014
						<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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**

	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 November 2014
						Group 2: Shares purchased 1 November 2014 to 30 November 2014
						<b>Prior Period 30/11/2013</b>
<b>Sterling Income Shares*</b>						
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
<b>Institutional Shares W (Net Income)*</b>						
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
<b>Institutional Shares W (Net Accumulation)*</b>						
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
<b>Retail Advised Shares B (Net Income)*</b>						
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

\*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 November 2014
						Group 2: Shares purchased 1 November 2014 to 30 November 2014
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

						Period
						Group 1: Shares purchased prior to 1 October 2014
						Group 2: Shares purchased 1 October 2014 to 31 October 2014
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/10/2013</b>
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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
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

**Distribution Statements (continued)**
**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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/08/2013</b>
<b>Sterling Income Shares</b>						
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
<b>P Shares (Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/07/2013</b>
<b>Sterling Income Shares</b>						
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
<b>P Shares (Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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

**BNY MELLON INVESTMENT FUNDS – INSIGHT EQUITY INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£220.32m
Comparative Index:	FTSE All-Share TR
Sector:	The Investment Association UK Equity Income

Yield as at 31 December 2014:

Sterling Income Shares	3.82%
Sterling Accumulation Shares	3.75%
Institutional Shares W (Net Income)	3.81%
Institutional Shares W (Net Accumulation)	3.73%
Retail Advised Shares B (Net Income)	3.82%
Retail Advised Shares B (Net Accumulation)	3.75%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	2.59	n/a	n/a	n/a	n/a
Sterling Accumulation Shares*	2.59	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	3.45	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	3.44	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.12	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.10	n/a	n/a	n/a	n/a
FTSE All-Share TR	1.18	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 2.26% against -0.40% for the FTSE All-Share TR.

Over the six month period, the Fund generated an attractive level of income and made a positive return, outperforming its benchmark. Strong stock selection was instrumental in delivering the Fund's robust performance over the period. An overweight position in International Consolidated Airlines Group was the primary contributor to the Fund's outperformance relative to the index as the European airline benefited from the falling oil price. Other travel and leisure stocks, such as cruise ship operator Carnival, another of the Fund's overweight positions, also performed well in this environment. Commodity prices more broadly were under pressure during the period amid fears of a slowdown in global growth. Against this backdrop, the Fund's zero holding in miner BHP Billiton helped to boost performance relative to the index. Other positive contributors included overweight positions in ITV and Dixons Carphone. The latter, created from Dixons Retail and Carphone Warehouse, performed well on continued positive sentiment following the recent merger, while also benefiting from the collapse of former long-term rival Phones 4U in September.

Activity over the period was relatively light. This is in keeping with the Fund's investment process and preference to focus on high-quality companies with attractive dividends. The Fund trimmed its position in GlaxoSmithKline back to neutral ahead of poor quarterly results and also trimmed positions in Legal & General, Aviva, BT Group, Reed Elsevier, ITV, International Consolidated Airlines Group and Compass Group following a strong share price performance. The Fund added exposure to Rolls-Royce, Ladbroke's, Rexam, Vodafone Group, Royal Bank of Scotland and Royal Mail owing to weakness in the share price. 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 disposed of its stake in the company earlier in 2014.

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

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

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	163.95	142.03	5.7376
2014	165.71	146.70	6.1812
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	474.84	399.11	16.3538
2014	497.04	441.95	18.2788
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	141.94	122.07	4.9444
2014	144.00	127.84	5.3889
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	533.64	445.25	18.3015
2014	562.81	499.90	20.6095
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	115.66	100.00	4.0297
2014	117.15	103.90	4.3881
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	119.19	100.00	4.0844
2014	125.34	111.37	4.6176

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2013	37,614,015	145.52	25,848,465
30/06/2014	38,444,538	160.00	24,028,134
31/12/2014	37,376,570	160.93	23,225,957
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2013	156,281,257	418.11	37,378,120
30/06/2014	161,784,852	477.01	33,916,156
31/12/2014	158,238,268	488.03	32,423,618
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	49,618	125.46	39,550
30/06/2014	1,038,219	139.09	746,443
31/12/2014	1,557,957	140.47	1,109,068

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	20,448,106	467.94	4,369,806
31/12/2013	22,209,761	538.25	4,126,253
31/12/2014	23,012,959	552.97	4,161,726
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,120	102.40	5,000
31/12/2013	93,069	113.15	82,252
31/12/2014	93,846	114.10	82,252
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	5,235	104.70	5,000
31/12/2013	35,556	120.04	29,621
31/12/2014	36,468	123.12	29,621

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Aerospace &amp; Defence 2.07% (2.07%)</b>			
Rolls-Royce	520,000	4,516,200	2.05
Rolls-Royce 'C' pref.	42,300,000	42,300	0.02
<b>Banks 11.76% (11.38%)</b>			
Barclays	2,600,000	6,331,000	2.87
HSBC (UK Regd.)	1,600,000	9,737,600	4.42
Lloyds Banking	6,300,000	4,776,660	2.17
Royal Bank Of Scotland	700,000	2,756,600	1.25
Standard Chartered	240,000	2,311,200	1.05
<b>Chemicals 0.62% (0.61%)</b>			
Elementis	525,000	1,371,825	0.62
<b>Construction &amp; Materials 0.51% (0.38%)</b>			
Marshalls	490,000	1,127,000	0.51
<b>Electricity 0.85% (0.81%)</b>			
SSE	115,288	1,869,971	0.85
<b>Financial Services 5.31% (3.97%)</b>			
3i	716,387	3,225,174	1.47
Arbuthnot Bank Group	114,031	1,460,737	0.66
ICAP	428,500	1,938,534	0.88
Intermediate Capital	550,000	2,529,450	1.15
Invesco	100,000	2,533,911	1.15
<b>Fixed Line Telecommunications 2.19% (2.75%)</b>			
BT	1,200,000	4,818,000	2.19
<b>Food &amp; Drug Retailers 1.40% (1.37%)</b>			
Morrison (Wm) Supermarkets	1,675,000	3,085,350	1.40
<b>Gas, Water &amp; Multiutilities 5.33% (5.20%)</b>			
Centrica	1,290,000	3,597,810	1.63
National Grid	576,436	5,291,106	2.40
Severn Trent	65,000	1,303,250	0.59
United Utilities	170,000	1,557,200	0.71
<b>General Industrials 1.44% (1.19%)</b>			
Rexam	700,000	3,175,200	1.44
<b>General Retailers 1.92% (1.37%)</b>			
Carpetright	164,697	658,788	0.30
Dixons Carphone	775,000	3,577,400	1.62
<b>Household Goods &amp; Home Construction 0.04% (0.04%)</b>			
Airea	698,265	83,792	0.04
<b>Industrial Transportation 0.51% (0.00%)</b>			
Royal Mail	260,000	1,117,740	0.51
<b>Life Insurance 5.61% (9.25%)</b>			
Aviva	1,080,000	5,232,600	2.38
Old Mutual	450,000	857,250	0.39
Prudential	420,000	6,266,400	2.84
<b>Media 7.82% (7.72%)</b>			
ITV	2,500,000	5,380,000	2.44
Sky plc	450,000	4,043,250	1.84

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Media (continued)</b>			
Pearson	240,000	2,853,600	1.30
Reed Elsevier	450,000	4,941,000	2.24
<b>Mining 4.92% (5.03%)</b>			
Rio Tinto	361,800	10,850,382	4.92
<b>Mobile Telecommunications 3.44% (4.04%)</b>			
Vodafone	3,400,000	7,570,100	3.44
<b>Non-Life Insurance 3.35% (0.16%)</b>			
Friends Life	220,000	805,640	0.37
Legal & General	2,500,000	6,215,000	2.82
Royal & Sun Alliance 7.375% Perpetual Preferred Shares	301,943	356,293	0.16
<b>Oil &amp; Gas Producers 13.61% (16.62%)</b>			
BG	156,757	1,355,791	0.62
BP	3,000,000	12,318,000	5.59
Royal Dutch Shell 'B'	730,500	16,308,413	7.40
<b>Pharmaceuticals &amp; Biotechnology 8.23% (8.86%)</b>			
AstraZeneca	235,000	10,705,425	4.86
GlaxoSmithKline	540,000	7,430,400	3.37
<b>Real Estate 1.08% (0.93%)</b>			
Great Portland Estates	323,510	2,387,504	1.08
<b>Support Services 2.43% (2.09%)</b>			
Connect Group	449,182	691,740	0.31
Wolseley	126,483	4,662,163	2.12
<b>Tobacco 5.35% (4.97%)</b>			
British American Tobacco	175,000	6,125,000	2.78
Imperial Tobacco	200,000	5,672,000	2.57
<b>Travel &amp; Leisure 8.70% (7.85%)</b>			
Carnival	90,000	2,618,100	1.19
Compass	500,000	5,505,000	2.50
Intercontinental Hotels	166,153	4,311,670	1.96
International Consolidated Airlines	1,000,000	4,860,000	2.20
Ladbroke's	1,700,000	1,878,500	0.85
<b>Portfolio of investments</b>		<b>216,995,019</b>	<b>98.49</b>
<b>Net current assets</b>		<b>3,321,049</b>	<b>1.51</b>
<b>Total Net Assets</b>		<b>220,316,068</b>	<b>100.00</b>
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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		3,088,093		26,473,466
Revenue	3,767,994		3,541,295	
Expenses	(1,696,100)		(1,747,086)	
Finance costs: Interest	-		(663)	
Net revenue before taxation	2,071,894		1,793,546	
Taxation	(4,722)		-	
Net revenue after taxation		2,067,172		1,793,546
<b>Total return before distributions</b>		<b>5,155,265</b>		<b>28,267,012</b>
Finance costs: Distributions		(3,759,950)		(3,535,693)
<b>Change in net assets attributable to Shareholders from investment</b>		<b>1,395,315</b>		<b>24,731,319</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		223,605,995		214,403,351
Amounts receivable on issue of shares	1,282,756		1,633,104	
Amounts payable on cancellation of shares	(9,037,147)		(11,537,780)	
		(7,754,391)		(9,904,676)
Stamp Duty Reserve Tax		-		(5,881)
Change in net assets attributable to Shareholders from investment activities (see above)		1,395,315		24,731,319
Retained distributions on accumulation shares		3,058,287		2,873,802
Unclaimed distributions		10,862		-
<b>Closing net assets attributable to Shareholders</b>		<b>220,316,068</b>		<b>232,097,915</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		216,995,019		220,617,978
Debtors	513,107		1,091,939	
Cash and bank balances	<u>3,870,373</u>		<u>3,120,408</u>	
Total other assets		<u>4,383,480</u>		<u>4,212,347</u>
Total assets		221,378,499		224,830,325
<b>LIABILITIES</b>				
Creditors	(803,412)		(744,673)	
Distribution payable on income shares	<u>(259,019)</u>		<u>(479,657)</u>	
Total other liabilities		<u>(1,062,431)</u>		<u>(1,224,330)</u>
Total liabilities		(1,062,431)		(1,224,330)
<b>Net assets attributable to Shareholders</b>		<u><b>220,316,068</b></u>		<u><b>223,605,995</b></u>

**Distribution Statements**

for the six months ended 31 December 2014

**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
<b>Sterling Income Shares</b>						
Group 1	1.1868	0.1187	1.0681	0.0000	1.0681	1.2176
Group 2	0.2223	0.0222	0.2001	0.8680	1.0681	1.2176
<b>Sterling Accumulation Shares</b>						
Group 1	3.5812	0.3581	3.2231	0.0000	3.2231	3.5266
Group 2	0.4501	0.0450	0.4051	2.8180	3.2231	3.5266
<b>Institutional Shares W (Net Income)</b>						
Group 1	1.0336	0.1034	0.9302	0.0000	0.9302	1.0531
Group 2	0.4390	0.0439	0.3951	0.5351	0.9302	1.0531
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.9028	0.0903	0.8125	0.0000	0.8125	0.8840
Group 2	0.9028	0.0903	0.8125	0.0000	0.8125	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
<b>Sterling Income Shares</b>						
Group 1	1.8447	0.1845	1.6602	0.0000	1.6602	1.2359
Group 2	0.7718	0.0772	0.6946	0.9656	1.6602	1.2359
<b>Sterling Accumulation Shares</b>						
Group 1	5.4903	0.5490	4.9413	0.0000	4.9413	3.5497
Group 2	4.0123	0.4012	3.6111	1.3302	4.9413	3.5497
<b>Institutional Shares W (Net Income)</b>						
Group 1	1.6053	0.1605	1.4448	0.0000	1.4448	1.0665
Group 2	0.8701	0.0870	0.7831	0.6617	1.4448	1.0665
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	6.2021	0.6202	5.5819	0.0000	5.5819	3.9767
Group 2	3.0850	0.3085	2.7765	2.8054	5.5819	3.9767
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		8,590,592		13,541,292
Commissions	16,978		-	
Taxes	<u>42,547</u>		<u>-</u>	
Total purchase costs		59,525		-
<b>Gross purchases total</b>		<b><u>8,650,117</u></b>		<b><u>13,541,292</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		15,452,429		21,989,922
Commissions	(30,051)		(18,768)	
Taxes	<u>(17)</u>		<u>(79)</u>	
Total sales costs		(30,068)		(18,847)
<b>Total sales net of transaction costs</b>		<b><u>15,422,361</u></b>		<b><u>21,971,075</u></b>

**BNY MELLON INVESTMENT FUNDS – INSIGHT EQUITY INCOME BOOSTER FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser: Insight Investment Management (Global) Limited

Fund Size: £83.69m

Sector: The Investment Association UK Equity Income

Yield as at 31 December 2014:

Sterling Income Shares	8.30%
Sterling Accumulation Shares	7.97%
Institutional Shares W (Net Income)	8.29%
Institutional Shares W (Net Accumulation)	7.94%
Retail Advised Shares B (Net Income)	8.28%
Retail Advised Shares B (Net Accumulation)	7.95%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	1.85%	n/a	n/a	n/a	n/a
Sterling Accumulation Shares*	1.85%	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	2.56%	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	2.49%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	2.24%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	2.24%	n/a	n/a	n/a	n/a
FTSE All-Share TR	1.18%	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 1.62% against -0.40 for the FTSE All-Share TR.

During the six-month period, the Fund met its monthly yield target and made a positive return, outperforming its comparative index. Strong stock selection was instrumental in delivering the portfolio's robust performance over the period. A zero holding in miner BHP Billiton was the primary contributor to the portfolio's outperformance relative to the index over the period as commodity prices struggled, particularly towards the end of the year, amid worries over global growth. Overweight positions in travel and leisure stocks International Consolidated Airlines Group and cruise ship operator Carnival also performed well as the sector broadly benefited from the fall in the oil price. Another positive contributor included an overweight position in Dixons Carphone, created from the merger of Dixons Retail and Carphone Warehouse. The stock performed well on continued positive sentiment following the recent merger, while also benefiting from the collapse of former long-term rival Phones 4U.

Activity over the period was relatively low. This is in keeping with the investment process, where the manager of the Funds prefers to focus on high-quality companies with attractive dividends. 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 disposed of its stake in the company earlier this year. The Fund also added exposure to Barclays and increased positions in Royal Mail, Rio Tinto, Centrica, Carnival, packaging company DS Smith and engineering firm IMI following share-price weakness. Exposure to Royal Bank of Scotland was also incrementally increased over the period as the fund manager believes investors are underappreciating the UK bank's recovery potential. The Fund trimmed positions in Legal & General, Aviva, BT Group, ITV, Vodafone Group, Reed Elsevier, International Consolidated Airlines Group, InterContinental Hotels Group and Imperial Tobacco following strong share-price performance. The Fund increased exposure to Dixons in July prior to the announced merger but later trimmed its holding in Dixons Carphone. Shares in Dixons Carphone rallied significantly following the merger of Dixons Retail and Carphone Warehouse and the fund manager was less convinced of the synergistic benefits that could be achieved from the merger compared to that which market participants appeared to be pricing in.

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

#### Purchases

Carnival  
HSBC  
IMI  
Royal Dutch Shell class 'B' shares  
Prudential  
Rolls Royce  
Glencore Xstrata  
Rio Tinto  
Royal Mail  
Intermediate Capital

#### Sales

Verizon Communications  
Dixons Carphone  
Imperial Tobacco  
Aviva  
Legal & General  
ITV  
Reed Elsevier  
Vodafone  
Severn Trent  
Pennon

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	143.95	129.83	9.8320
2014	143.36	124.99	11.1915
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	208.96	181.77	13.8598
2014	216.56	195.39	16.9843
<b>X Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	164.46	141.86	10.8404
2014	169.43	157.49	8.4149
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	147.91	133.10	10.0779
2014	147.51	129.26	11.5648
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	216.50	187.71	14.3160
2014	225.69	203.40	17.6548
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	107.99	97.26	7.3652
2014	107.63	94.11	8.4131
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	114.83	99.69	7.6009
2014 (to 15 August 2014)	119.43	107.70	9.3453

\*\*X Shares (Net Accumulation) share class closed 15 August 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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2013	41,015,603	132.14	31,040,662
30/06/2014	44,147,504	136.50	32,343,144
31/12/2014	42,349,555	133.96	31,613,328
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2013	20,197,734	187.07	10,796,972
30/06/2014	18,634,395	209.57	8,891,732
31/12/2014	16,958,536	213.20	7,954,127
<b>X Shares (Net Accumulation)**</b>		<b>Pence</b>	
30/06/2013	6,429,544	146.30	4,394,711
30/06/2014	3,758,749	165.97	2,264,711

\*\*X Shares (Net Accumulation) share class closed 15/08/2014.

**Institutional Shares W (Net Income)**

		<b>Pence</b>	
30/06/2013	1,439,029	135.48	1,062,179
30/06/2014	12,405,070	140.89	8,804,739
31/12/2014	20,294,466	138.74	14,627,743

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	201,168	193.20	104,126
30/06/2014	2,866,088	217.74	1,316,261
31/12/2014	4,034,679	222.30	1,814,993
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,981	98.99	5,032
30/06/2014	36,797	102.66	35,844
31/12/2014	36,444	100.96	36,099
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	5,130	102.60	5,000
30/06/2014	15,641	115.37	13,557
31/12/2014	15,945	117.61	13,557

**Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Sterling Income Shares	1.69	1.67
Sterling Accumulation Shares	1.69	1.67
X Shares (Net Accumulation)**	n/a	0.09
Institutional Shares W (Net Income)	0.88	0.85
Institutional Shares W (Net Accumulation)	0.88	0.85
Retail Advised Shares B (Net Income)	1.19	1.18
Retail Advised Shares B (Net Accumulation)	1.19	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 15/08/2014.

**Portfolio Statement**

as at 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Aerospace &amp; Defence 3.89% (3.83%)</b>			
BAE Systems	300,000	1,414,500	1.69
Rolls Royce	210,000	1,823,850	2.18
Rolls Royce C Shares Entitlement (January 2015)	17,100,000	17,100	0.02
<b>Banks 11.32% (9.40%)</b>			
Barclays	1,000,000	2,435,000	2.91
HSBC	580,000	3,529,880	4.22
Lloyds Banking	1,800,000	1,364,760	1.63
Royal Bank of Scotland	300,000	1,181,400	1.41
Standard Chartered	100,000	963,000	1.15
<b>Financial Services 6.69% (4.05%)</b>			
3i	280,000	1,260,560	1.51
ICAP	170,000	769,080	0.92
IMI	100,000	1,260,000	1.51
Intermediate Capital	150,000	689,850	0.82
Schroders voting shares	60,000	1,611,600	1.93
<b>Fixed Line Telecommunications 1.92% (3.58%)</b>			
BT	400,000	1,606,000	1.92
<b>Food &amp; Drug Retailers 1.32% (1.01%)</b>			
Wm Morrison Supermarkets	600,000	1,105,200	1.32
<b>Gas, Water &amp; Multiutilities 4.88% (5.17%)</b>			
Centrica	490,000	1,366,610	1.63
National Grid	120,000	1,101,480	1.32
Pennon	80,000	735,200	0.88
Severn Trent	25,000	501,250	0.60
United Utilities	41,141	376,852	0.45
<b>General Industrials 3.10% (3.25%)</b>			
DS Smith	440,000	1,411,520	1.69
Rexam	260,000	1,179,360	1.41
<b>General Retailers 1.65% (1.78%)</b>			
Dixons Carphone	300,000	1,384,800	1.65
<b>Industrial Engineering 0.00% (0.73%)</b>			
<b>Industrial Transportation 0.62% (0.00%)</b>			
Royal Mail	120,000	515,880	0.62
<b>Life Insurance 7.93% (8.01%)</b>			
Aviva	380,000	1,841,100	2.20
Legal & General	850,000	2,113,100	2.52
Prudential	180,000	2,685,600	3.21
<b>Media 8.11% (7.65%)</b>			
ITV	750,000	1,614,000	1.93
Pearson	140,000	1,664,600	1.99
Reed Elsevier	180,000	1,976,400	2.36
Sky plc	170,000	1,527,450	1.83

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Mining 6.09% (5.75%)</b>			
Glencore Xstrata	400,000	1,194,800	1.43
Rio Tinto	130,000	3,898,700	4.66
<b>Mobile Telecommunications 3.72% (3.87%)</b>			
Vodafone	1,400,000	3,117,100	3.72
<b>Non-Life Insurance 0.73% (0.68%)</b>			
RSA Insurance	140,000	609,000	0.73
<b>Oil &amp; Gas Producers 12.94% (15.11%)</b>			
BP	1,000,000	4,106,000	4.91
BG	120,000	1,037,880	1.24
Royal Dutch Shell class 'A' shares	160,000	3,445,600	4.12
Royal Dutch Shell class 'B' shares	100,000	2,232,500	2.67
<b>Pharmaceuticals &amp; Biotechnology 6.98% (7.30%)</b>			
AstraZeneca	80,000	3,644,400	4.35
GlaxoSmithKline	160,000	2,201,600	2.63
<b>Real Estate Investment Trusts 1.36% (1.29%)</b>			
British Land	52,000	404,040	0.48
Segro	200,000	740,600	0.88
<b>Support Services 2.69% (2.37%)</b>			
Electrocomponents	190,000	408,120	0.49
Wolseley	50,000	1,843,000	2.20
<b>Tobacco 3.83% (4.22%)</b>			
British American Tobacco	35,000	1,225,000	1.46
Imperial Tobacco	70,000	1,985,200	2.37
<b>Travel &amp; Leisure 8.91% (6.92%)</b>			
Carnival	50,000	1,454,500	1.74
Compass	169,411	1,865,215	2.23
InterContinental Hotels	60,000	1,557,000	1.86
International Consolidated Airline	360,000	1,749,600	2.09
Ladbroke	750,000	828,750	0.99
<b>Derivatives -0.44% (-0.56%)</b>			
<b>Options -0.44% (-0.56%)</b>			
3i	£(197,459)	(8,731)	(0.01)
AstraZeneca	£(56,000)	(8,399)	(0.01)
Aviva	£(266,000)	(1,883)	0.00
BAE Systems	£(210,000)	(5,594)	(0.01)
Barclays	£(700,000)	(7,068)	(0.01)
BG	£(84,000)	(2,447)	0.00
BP	£(700,000)	(4,813)	(0.01)
British American Tobacco	£(24,500)	(366)	0.00
British Land	£(36,400)	(2,818)	0.00
British Sky Broadcasting	£(119,000)	(1,202)	0.00
BT	£(280,000)	(391)	0.00
Carnival	£(35,000)	(21,222)	(0.03)
Centrica	£(343,000)	(2,095)	0.00
Compass	£(118,587)	(13,208)	(0.02)
Dixons Carphone	£(210,000)	(16,970)	(0.02)
DS Smith	£(308,000)	(17,823)	(0.02)
Electrocomponents	£(133,000)	(1,652)	0.00

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>Options (continued)</b>			
GlaxoSmithKline	£(112,000)	(2,014)	0.00
Glencore Xstrata	£(280,000)	(145)	0.00
HSBC	£(406,000)	(1,011)	0.00
ICAP	£(119,000)	(26,959)	(0.03)
IMI	£(70,000)	(5,794)	(0.01)
Imperial Tobacco	£(49,000)	(4,627)	(0.01)
InterContinental Hotels	£(42,000)	(4,004)	0.00
Intermediate Capital	£(105,000)	(4,682)	(0.01)
International Consolidated Airline	£(252,000)	(15,708)	(0.02)
ITV	£(525,000)	(9,916)	(0.01)
Ladbrokes	£(525,000)	(724)	0.00
Legal & General	£(595,000)	(23,245)	(0.03)
Lloyds Banking	£(1,260,000)	(442)	0.00
National Grid	£(84,000)	(1,312)	0.00
Pearson	£(98,000)	(3,845)	0.00
Pennon	£(56,000)	(6,446)	(0.01)
Prudential	£(126,000)	(4,271)	(0.01)
Reed Elsevier	£(126,000)	(7,827)	(0.01)
Rexam	£(182,000)	(3,827)	(0.01)
Rio Tinto	£(91,000)	(34,802)	(0.04)
Rolls Royce	£(147,000)	(6,066)	(0.01)
Royal Bank of Scotland	£(210,000)	(3,525)	(0.01)
Royal Dutch Shell class 'A' shares	£(112,000)	(16,834)	(0.02)
Royal Dutch Shell class 'B' shares	£(70,000)	(8,536)	(0.01)
Royal Mail	£(84,000)	(9,901)	(0.01)
RSA Insurance	£(98,000)	(109)	0.00
Schroders voting shares	£(42,000)	(4,185)	(0.01)
Segro	£(140,000)	(309)	0.00
Severn Trent	£(17,500)	(2,755)	0.00
Standard Chartered	£(70,000)	(1,700)	0.00
United Utilities	£(28,798)	(6,141)	(0.01)
Vodafone	£(980,000)	(2,738)	0.00
Wm Morrison Supermarkets	£(420,000)	(8,310)	(0.01)
Wolseley	£(35,000)	(11,366)	(0.01)
<b>Portfolio of investments*</b>		<b>82,214,829</b>	<b>98.24</b>
<b>Net current assets</b>		<b>1,474,796</b>	<b>1.76</b>
<b>Total Net Assets</b>		<b>83,689,625</b>	<b>100.00</b>
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.

\*Net of investment liabilities.

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		(968,694)		5,701,998
Revenue	3,347,819		3,187,850	
Expenses	(588,021)		(555,087)	
Finance costs: Interest	(1,502)		(1,717)	
Net revenue before taxation	2,758,296		2,631,046	
Taxation	(293,597)		(308,147)	
Net revenue after taxation		2,464,699		2,322,899
<b>Total return before distributions</b>		<b>1,496,005</b>		<b>8,024,897</b>
Finance costs: Distributions		(2,959,507)		(2,580,455)
<b>Change in net assets attributable to Shareholders from investment</b>		<b>(1,463,502)</b>		<b>5,444,442</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		81,864,244		69,293,189
Amounts receivable on issue of shares	11,243,531		7,881,186	
Amounts payable on cancellation of shares	(8,747,753)		(7,022,334)	
		2,495,778		858,852
Dilution adjustment		8,300		5,971
Stamp Duty Reserve Tax		-		(31,550)
Change in net assets attributable to Shareholders from investment activities (see above)		(1,463,502)		5,444,442
Retained distributions on accumulation shares		783,911		880,081
Unclaimed distributions		894		360
<b>Closing net assets attributable to Shareholders</b>		<b>83,689,625</b>		<b>76,451,345</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		82,575,587		78,559,224
Debtors	484,775		3,240,396	
Cash and bank balances	<u>2,622,614</u>		<u>4,267,040</u>	
Total other assets		<u>3,107,389</u>		<u>7,507,436</u>
Total assets		85,682,976		86,066,660
<b>LIABILITIES</b>				
Investment liabilities		(360,758)		(456,494)
Creditors	(1,251,940)		(2,852,997)	
Distribution payable on income shares	<u>(380,653)</u>		<u>(892,925)</u>	
Total other liabilities		<u>(1,632,593)</u>		<u>(3,745,922)</u>
Total liabilities		(1,993,351)		(4,202,416)
<b>Net assets attributable to Shareholders</b>		<b><u>83,689,625</u></b>		<b><u>81,864,244</u></b>

\*Gross of investment liabilities.

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.9040	0.0904	0.8136	0.0000	0.8136	0.8508
Group 2	0.3257	0.0326	0.2931	0.5205	0.8136	0.8508
<b>Sterling Accumulation Shares</b>						
Group 1	1.4301	0.1430	1.2871	0.0000	1.2871	1.2331
Group 2	0.5484	0.0548	0.4936	0.7935	1.2871	1.2331
<b>X Shares (Net Accumulation)*</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9358	0.0936	0.8422	0.0000	0.8422	0.8742
Group 2	0.3382	0.0338	0.3044	0.5378	0.8422	0.8742
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.4903	0.1490	1.3413	0.0000	1.3413	1.2762
Group 2	0.7939	0.0794	0.7145	0.6268	1.3413	1.2762
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.6810	0.0681	0.6129	0.0000	0.6129	0.6383
Group 2	0.0576	0.0058	0.0518	0.5611	0.6129	0.6383
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/11/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.8888	0.0889	0.7999	0.0000	0.7999	0.8508
Group 2	0.2300	0.0230	0.2070	0.5929	0.7999	0.8508
<b>Sterling Accumulation Shares</b>						
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
<b>X Shares (Net Accumulation)*</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9196	0.0920	0.8276	0.0000	0.8276	0.8742
Group 2	0.2872	0.0287	0.2585	0.5691	0.8276	0.8742

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

	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 November 2014 Group 2: Shares purchased 1 November 2014 to 30 November 2014
						<b>Prior Period 30/11/2013</b>
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.4560	0.1456	1.3104	0.0000	1.3104	1.2762
Group 2	0.3627	0.0363	0.3264	0.9840	1.3104	1.2762
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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**

	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 October 2014 Group 2: Shares purchased 1 October 2014 to 31 October 2014
						<b>Prior Period 31/10/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.8942	0.0894	0.8048	0.0000	0.8048	0.8220
Group 2	0.3962	0.0396	0.3566	0.4482	0.8048	0.8220
<b>Sterling Accumulation Shares</b>						
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
<b>X Shares (Net Accumulation)*</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9246	0.0925	0.8321	0.0000	0.8321	0.8442
Group 2	0.3464	0.0346	0.3118	0.5203	0.8321	0.8442
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.4549	0.1455	1.3094	0.0000	1.3094	1.2254
Group 2	0.6213	0.0621	0.5592	0.7502	1.3094	1.2254
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.9192	0.0919	0.8273	0.0000	0.8273	0.8226
Group 2	0.4069	0.0407	0.3662	0.4611	0.8273	0.8226
<b>Sterling Accumulation Shares</b>						
Group 1	1.4282	0.1428	1.2854	0.0000	1.2854	1.1784
Group 2	0.6039	0.0604	0.5435	0.7419	1.2854	1.1784
<b>X Shares (Net Accumulation)*</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9499	0.0950	0.8549	0.0000	0.8549	0.8444
Group 2	0.5217	0.0522	0.4695	0.3854	0.8549	0.8444
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.6918	0.0692	0.6226	0.0000	0.6226	0.6167
Group 2	0.1228	0.0123	0.1105	0.5121	0.6226	0.6167
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/08/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.8929	0.0893	0.8036	0.0000	0.8036	0.8332
Group 2	0.4399	0.0440	0.3959	0.4077	0.8036	0.8332
<b>Sterling Accumulation Shares</b>						
Group 1	1.3793	0.1379	1.2414	0.0000	1.2414	1.1863
Group 2	1.2703	0.1270	1.1433	0.0981	1.2414	1.1863
<b>X Shares (Net Accumulation)*</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.4340	0.1434	1.2906	0.0000	1.2906	1.2259
Group 2	0.8368	0.0837	0.7531	0.5375	1.2906	1.2259

**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 August 2014
						Group 2: Shares purchased 1 August 2014 to 31 August 2014
						Prior Period 31/08/2013
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**

	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 July 2014
						Prior Period 31/07/2013
Sterling Income Shares						
Group 1	0.9139	0.0914	0.8225	0.0000	0.8225	0.7989
Group 2	0.5541	0.0554	0.4987	0.3238	0.8225	0.7989
Sterling Accumulation Shares						
Group 1	1.4031	0.1403	1.2628	0.0000	1.2628	1.1310
Group 2	0.7762	0.0776	0.6986	0.5642	1.2628	1.1310
X Shares (Net Accumulation)*						
Group 1	1.1112	0.1111	1.0001	0.0000	1.0001	0.8846
Group 2	1.1112	0.1111	1.0001	0.0000	1.0001	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	1.4579	0.1458	1.3121	0.0000	1.3121	1.1681
Group 2	0.8099	0.0810	0.7289	0.5832	1.3121	1.1681
Retail Advised Shares B (Net Income)						
Group 1	0.6873	0.0687	0.6186	0.0000	0.6186	0.5985
Group 2	0.2747	0.0275	0.2472	0.3714	0.6186	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 15/08/2014.

**Distribution Statements (continued)**

	Franked (%)	Unfranked (%)	Utilised foreign tax (£)	Utilised foreign tax (pence per share)
<b>Interim distributions for 31 December 2014</b>				
Sterling Income Shares			n/a	n/a
Sterling Accumulation Shares	28.25	71.75	n/a	n/a
X Shares (Net Accumulation)*	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)	28.25	71.75	n/a	n/a
Institutional Shares W (Net Accumulation)	28.25	71.75	n/a	n/a
Retail Advised Shares B (Net Income)	28.25	71.75	n/a	n/a
Retail Advised Shares B (Net Accumulation)	28.25	71.75	n/a	n/a
<b>Interim distributions for 30 November 2014</b>				
Sterling Income Shares	61.78	38.22	n/a	n/a
Sterling Accumulation Shares	61.78	38.22	n/a	n/a
X Shares (Net Accumulation)*	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)	61.78	38.22	n/a	n/a
Institutional Shares W (Net Accumulation)	61.78	38.22	n/a	n/a
Retail Advised Shares B (Net Income)	61.78	38.22	n/a	n/a
Retail Advised Shares B (Net Accumulation)	61.78	38.22	n/a	n/a
<b>Interim distributions for 31 October 2014</b>				
Sterling Income Shares	55.44	44.56	n/a	n/a
Sterling Accumulation Shares	55.44	44.56	n/a	n/a
X Shares (Net Accumulation)*	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)	55.44	44.56	n/a	n/a
Institutional Shares W (Net Accumulation)	55.44	44.56	n/a	n/a
Retail Advised Shares B (Net Income)	55.44	44.56	n/a	n/a
Retail Advised Shares B (Net Accumulation)	55.44	44.56	n/a	n/a
<b>Interim distributions for 30 September 2014</b>				
Sterling Income Shares	42.87	57.13	n/a	n/a
Sterling Accumulation Shares	42.87	57.13	n/a	n/a
X Shares (Net Accumulation)*	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)	42.87	57.13	n/a	n/a
Institutional Shares W (Net Accumulation)	42.87	57.13	n/a	n/a
Retail Advised Shares B (Net Income)	42.87	57.13	n/a	n/a
Retail Advised Shares B (Net Accumulation)	42.87	57.13	n/a	n/a
<b>Interim distributions for 31 August 2014</b>				
Sterling Income Shares	89.74	10.26	n/a	n/a
Sterling Accumulation Shares	89.74	10.26	n/a	n/a
X Shares (Net Accumulation)*	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)	89.74	10.26	n/a	n/a
Institutional Shares W (Net Accumulation)	89.74	10.26	n/a	n/a
Retail Advised Shares B (Net Income)	89.74	10.26	n/a	n/a
Retail Advised Shares B (Net Accumulation)	89.74	10.26	n/a	n/a
<b>Interim distributions for 31 July 2014</b>				
Sterling Income Shares	36.76	63.24	n/a	n/a
Sterling Accumulation Shares	36.76	63.24	n/a	n/a
X Shares (Net Accumulation)*	36.76	63.24	n/a	n/a
Institutional Shares W (Net Income)	36.76	63.24	n/a	n/a
Institutional Shares W (Net Accumulation)	36.76	63.24	n/a	n/a
Retail Advised Shares B (Net Income)	36.76	63.24	n/a	n/a
Retail Advised Shares B (Net Accumulation)	36.76	63.24	n/a	n/a

\*X Shares (Net Accumulation) share class closed 15/08/2014.

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		7,899,734		11,052,892
Commissions	15,799		6,615	
Taxes	<u>36,800</u>		<u>13,128</u>	
Total purchase costs		52,599		19,743
<b>Gross purchases total</b>		<b><u>7,952,333</u></b>		<b><u>11,072,635</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		4,969,106		11,239,992
Commissions	(9,667)		(12,920)	
Taxes	<u>(15)</u>		<u>(12)</u>	
Total sales costs		(9,682)		(12,932)
<b>Total sales net of transaction costs</b>		<b><u>4,959,424</u></b>		<b><u>11,227,060</u></b>

**BNY MELLON INVESTMENT FUNDS – INSIGHT GLOBAL ABSOLUTE RETURN FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£46.14m
Comparative Index:	LIBOR GBP 3 Months
Sector:	The Investment Association Targeted Absolute Return
Yield as at 31 December 2014:	
Sterling Accumulation Shares	0.11%
Institutional Shares (Accumulation)	0.89%
Sterling Income Shares	0.16%
Institutional W (Net Income)	1.00%
Institutional W (Net Accumulation)	0.98%
Retail Advised B (Net Income)	0.74%
Retail Advised B (Net Accumulation)	0.74%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Accumulation Shares*	4.01	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation)*	4.86	n/a	n/a	n/a	n/a
Sterling Income Shares*	3.95	n/a	n/a	n/a	n/a
Institutional W (Net Income)*	4.94	n/a	n/a	n/a	n/a
Institutional W (Net Accumulation)*	4.97	n/a	n/a	n/a	n/a
Retail Advised B (Net Income)*	4.70	n/a	n/a	n/a	n/a
Retail Advised B (Net Accumulation)*	4.69	n/a	n/a	n/a	n/a
LIBOR GBP 3 Months	0.54	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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 six-month period under review, the Sterling Acc Share Class of the Sub-Fund returned 0.14% against 0.28% for LIBOR GBP 3 Months.

The Fund made a positive return over the six months. The global economy continued to recover broadly over the second half of the year, building on the positive momentum witnessed in the second quarter. However, financial markets were volatile. Two of the Fund's four return components – equities and total return strategies – detracted from performance. Positive returns from fixed income and real returns acted to more than offset these losses.

Overall, the Fund's fixed-income allocation edged lower over the third quarter, with small reductions in both government bonds and investment-grade credit exposures, the latter being debt issued by companies that are rated BBB and above by the credit rating agency Standard and Poor's. In government bonds, the Fund continued to build on a bias towards longer duration positions over July and August, before reducing this preference in September as risk aversion took hold: European exposures saw the largest reduction. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates.) In September, the first notable reduction in the Fund's equity allocation was also made since the start of 2014, reflecting growing caution ahead of the completion of the 'tapering' programme of the US Federal Reserve (Fed) and uncertainty regarding the strength of the global economic recovery. ('Tapering' refers to the reduction of the Fed's quantitative easing or bond buying programme.) Within real assets, most activity was centred on the diversified commodities holdings, where the exposure in July was initially increased on signs that emerging market growth could be improving before reducing the position by over two thirds by the end of the period as this theme failed to gain traction.

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

#### Purchases

iShares USD Corporate Bond Fund  
 iShares Sterling Corporate Bond Fund  
 iShares Markit iBoxx Euro Corporate Bond Fund  
 UBS ETF CMCI Composite Fund  
 iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF  
 Insight UK Government Long Maturities Bond Fund  
 Insight LIBOR Plus Fund-S  
 Greencoat UK Wind  
 iShares EM Local Government Bonds  
 Insight Short-Dated High Yield Bond Fund

#### Sales

UBS ETF CMCI Composite Fund  
 SSGA-US Corporate Bond Index  
 Spain 3.75% 31/10/18  
 iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF  
 iShares USD Corporate Bond Fund  
 iShares EM Local Government Bonds  
 iShares Markit iBoxx Euro Corporate Bond Fund  
 iShares Sterling Corporate Bond Fund  
 HICL Infrastructure  
 Neuberger Berman Short Duration High Yield Bond Fund

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	102.99	98.10	0.0117
2014	108.17	100.44	0.1164
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	103.22	98.39	0.3276
2014	109.56	101.26	0.9561
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	102.90	98.01	0.0290
2014	107.81	100.30	0.1730
<b>Institutional W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.15	98.29	0.3711
2014	108.12	100.90	1.0608
<b>Institutional W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.15	98.32	0.3687
2014	109.64	101.27	1.0609
<b>Retail Advised B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.08	98.24	0.2764
2014	108.08	100.72	0.7894
<b>Retail Advised B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.08	98.24	0.2764
2014	109.19	101.01	0.7920

\*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
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2013	34,567,190	98.32	35,157,866
30/06/2014	27,971,736	105.93	26,405,834
31/12/2014	25,529,840	106.05	24,073,124
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2013	16,375,831	98.63	16,603,638
30/06/2014	15,638,296	107.13	14,597,034
31/12/2014	16,103,680	107.70	14,952,296
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2013	7,441	98.21	7,577
30/06/2014	28,385	105.58	26,886
31/12/2014	20,331	105.69	19,236
<b>Institutional W (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,959	98.20	5,050
30/06/2014	176,132	105.71	166,624
31/12/2014	435,398	106.33	409,490

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Institutional W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	316,152	98.57	320,752
30/06/2014	3,090,027	107.18	2,883,113
31/12/2014	4,037,466	107.82	3,744,785
<b>Retail Advised B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,910	98.20	5,000
30/06/2014	5,300	105.70	5,014
31/12/2014	5,363	106.18	5,051
<b>Retail Advised B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	4,924	98.48	5,000
30/06/2014	5,340	106.80	5,000
31/12/2014	5,364	107.28	5,000

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Accumulation Shares	1.77	1.83
Institutional Shares (Accumulation)	0.95	1.01
Sterling Income Shares	1.77	1.83
Institutional W (Net Income)	0.83	0.89
Institutional W (Net Accumulation)	0.83	0.89
Retail Advised B (Net Income)	1.11	1.17
Retail Advised B (Net Accumulation)	1.11	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Collective Investment Schemes 17.99% (20.00%)</b>			
BNY Mellon Absolute Return Bond Fund†	11,054	948,821	2.06
BNY Mellon Emerging Markets Corporate Debt Fund†	6,475	509,900	1.11
BNY Mellon European Credit Fund X EUR Accumulation†	2,602	230,824	0.50
Insight Global UK Bond Fund S Accumulation†	965	963,658	2.09
Insight LIBOR Plus Fund†	1,512,606	2,270,875	4.92
Insight Short-Dated High Yield Bond Fund†	28,662	319,298	0.69
Insight UK Corporate All Maturities Bond Fund†	658,783	1,249,580	2.71
Insight UK Government All Maturities Bond Fund†	406,953	789,977	1.71
Insight UK Government Long Maturities Bond Fund†	461,413	1,016,354	2.20
<b>Equity 13.86% (15.52%)</b>			
3i Infrastructure	554,863	847,831	1.84
Doric Nimrod Air One	542,289	585,672	1.27
Doric Nimrod Air Two (Private Placing)	415,135	900,843	1.95
Duet Real Estate Finance	1,258,731	588,457	1.28
GCP Infrastructure Investments Fund	425,419	516,884	1.12
Greencoat UK Wind	218,000	241,980	0.52
HICL Infrastructure	417,130	636,123	1.38
John Laing Infrastructure	656,787	806,534	1.75
NB Distressed Debt Investment Fund	1,193,866	819,264	1.78
TwentyFour Select Monthly Income Fund	464,000	448,920	0.97
<b>Exchange Traded Funds 12.93% (13.42%)</b>			
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	13,282	933,083	2.02
iShares Markit iBoxx \$ Corporate Bond Fund	22,254	1,624,752	3.52
iShares Markit iBoxx Euro Corporate Bond Fund	19,853	2,071,041	4.49
iShares Sterling Corporate Bond Fund	9,877	1,339,914	2.90
<b>Derivatives 1.57% (0.93%)</b>			
<b>Futures 1.11% (0.35%)</b>			
Bovespa Index Future Expires February 2015	BRL51	31,228	0.07
Euro Buxl 30 Year Bond Expires March 2015	EUR12	54,759	0.12
Euro Stoxx 50 Future Expires March 2015	EUR33	28,163	0.06
Euro-BTP Future Expires March 2015	EUR9	9,665	0.02
Euro-Bund Future Expires March 2015	EUR4	6,610	0.01
Euro-OAT Future Expires March 2015	EUR10	7,793	0.02
FTSE 100 Dividend Future Expires December 2015	£191	(13,161)	(0.03)
FTSE 100 Index Future Expires March 2015	£37	126,102	0.27
FTSE/JSE TOP 40 Future Expires March 2015	ZAR25	29,515	0.06
H-Shares Index Future Expires January 2015	HKD12	8,654	0.02
Kospi2 Index Future Expires March 2015	KRW8	(16,162)	(0.04)
Long Gilt Future Expires March 2015	£13	29,864	0.06
NIKKEI Dividend Expires December 2015	JPY58	52,701	0.11
NIKKEI 225 Future (CME) Expires March 2015	USD21	(48,338)	(0.10)
S&P 500 EMINI Future Expires March 2015	USD10	11,782	0.03
SGX S&P CNX NIFTY Future Expires January 2015	USD55	(4,762)	(0.01)
Short Euro-Btp Future Expires March 2015	EUR5	473	0.00
SPI 200 Future Expires March 2015	AUD9	29,854	0.06
US 10 Year Note Future (CBT) Expires March 2015	USD43	9,801	0.02
US 2 Year Note Future (CBT) Expires March 2015	USD(17)	2,646	0.01
US 5 Year Note (CBT) Expires March 2015	USD(62)	967	0.00
US Long Bond (CBT) Expires March 2015	USD8	16,610	0.04
US Ultra Bond (CBT) Expires March 2015	USD30	142,759	0.31

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Derivatives (continued)</b>			
<b>Options 0.53% (0.46%)</b>			
EURO STOXX 50 March 2015 2900 (Put Options)	EUR(71)	(32,565)	(0.07)
EURO STOXX 50 March 2015 3000 (Call Options)	EUR71	119,293	0.26
EURO STOXX 50 March 2015 3200 (Call Options)	EUR(71)	(53,007)	(0.11)
Euro Put US Dollar @ 1.20 10/02/2015	EUR(6,000,000)	(34,662)	(0.08)
Euro Put US Dollar @ 1.22 10/02/2015	EUR6,000,000	66,028	0.14
Euro Call US Dollar @ 1.28 10/02/2015	EUR(6,000,000)	(3,134)	(0.01)
FTSE 100 March 2015 6200 (Put Options)	£(58)	(57,130)	(0.12)
FTSE 100 March 2015 6600 (Put Options)	£29	64,525	0.14
Nikkei January 2015 16000 (Put Options)	JPY(25)	(2,407)	(0.01)
Nikkei January 2015 18000 (Call Options)	JPY25	8,692	0.02
Nikkei January 2015 18500 (Call Options)	JPY(25)	(2,006)	0.00
S&P 500 February 2015 1975 (Put Options)	USD(27)	(42,251)	(0.09)
S&P 500 March 2015 1825 (Put Options)	USD(32)	(33,247)	(0.07)
S&P 500 March 2015 1950 (Put Options)	USD16	33,555	0.07
S&P 500 February 2015 2075 (Call Options)	USD27	58,355	0.13
S&P 500 February 2015 2125 (Call Options)	USD(27)	(21,645)	(0.05)
S&P 500 March 2015 2025 (Call Options)	USD15	84,656	0.18
S&P 500 March 2015 2075 (Call Options)	USD(30)	(96,008)	(0.21)
SX5E Dividend December 2015 90 (Put Options)	EUR(298)	(463)	0.00
SX5E Dividend December 2015 105 (Call Options)	EUR298	161,656	0.35
SX5E Dividend December 2015 110 (Call Options)	EUR(298)	(66,374)	(0.14)
SX5E Dividend December 2016 95 (Put Options)	EUR(210)	(29,498)	(0.06)
SX5E Dividend December 2016 100 (Put Options)	EUR(262)	(53,069)	(0.12)
SX5E Dividend December 2016 110 (Call Options)	EUR210	94,362	0.20
SX5E Dividend December 2016 115 (Call Options)	EUR52	13,156	0.03
SX5E Dividend December 2016 120 (Call Options)	EUR(262)	(32,126)	(0.07)
UK Sterling Put US Dollar @ 1.57 15/01/2015	£(4,750,000)	(42,954)	(0.09)
UK Sterling Put US Dollar @ 1.585 15/01/2015	£4,750,000	78,541	0.17
UK Sterling Call US Dollar @ 1.62 15/01/2015	£(4,750,000)	(356)	0.00
US Dollar Put Japanese Yen February 2015 110	USD(7,450,000)	(1,089)	0.00
US Dollar Call Japanese Yen February 2015 115	USD7,450,000	185,628	0.40
US Dollar Call Japanese Yen February 2015 117	USD(7,450,000)	(122,014)	(0.26)
<b>EUR Forward Foreign Currency Contracts 0.13% (-0.02%)</b>			
Forward Foreign Currency Contracts 06/03/15	EUR360,000	279,662	0.61
Forward Foreign Currency Contracts 06/03/15	£(286,470)	(286,470)	(0.62)
Forward Foreign Currency Contracts 06/03/15	EUR(6,300,000)	(4,894,078)	(10.61)
Forward Foreign Currency Contracts 06/03/15	£4,960,778	4,960,778	10.75
<b>JPY Forward Foreign Currency Contracts (0.13%) (0.01%)</b>			
Forward Foreign Currency Contracts 06/03/15	JPY(70,000,000)	(374,803)	(0.81)
Forward Foreign Currency Contracts 06/03/15	£371,206	371,206	0.80
Forward Foreign Currency Contracts 15/01/15	JPY227,000,000	1,214,456	2.63
Forward Foreign Currency Contracts 15/01/15	USD(1,963,184)	(1,259,157)	(2.73)
Forward Foreign Currency Contracts 15/01/15	USD1,879,264	1,205,332	2.61
Forward Foreign Currency Contracts 15/01/15	JPY(227,000,000)	(1,214,456)	(2.63)
<b>KRW Forward Foreign Currency Contracts (0.05%) (0.00%)</b>			
Forward Foreign Currency Contracts 15/01/15	USD2,330,213	1,494,564	3.24
Forward Foreign Currency Contracts 15/01/15	KRW(2,600,000,000)	(1,519,440)	(3.29)
<b>SGD Forward Foreign Currency Contracts 0.01% (0.00%)</b>			
Forward Foreign Currency Contracts 15/01/15	USD2,194,066	1,407,242	3.05
Forward Foreign Currency Contracts 15/01/15	SGD(2,900,000)	(1,403,276)	(3.04)

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>USD Forward Foreign Currency Contracts (0.03%) (0.13%)</b>			
Forward Foreign Currency Contracts 06/03/15	USD(19,300,000)	(12,383,543)	(26.84)
Forward Foreign Currency Contracts 06/03/15	£12,354,198	12,354,198	26.78
Forward Foreign Currency Contracts 06/03/15	USD3,540,000	2,271,385	4.92
Forward Foreign Currency Contracts 06/03/15	£(2,257,924)	(2,257,924)	(4.89)
<b>Portfolio of investments*</b>		<b>21,386,226</b>	<b>46.35</b>
<b>Net current assets</b>		<b>24,751,216</b>	<b>53.65</b>
<b>Total Net Assets</b>		<b>46,137,442</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

†Considered a related party of the ACD.

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Overseas Government Bonds portfolio category, which, at 30 June 2014, represented 2.83% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		55,270		1,721,068
Revenue	365,258		511,089	
Expenses	(308,310)		(389,804)	
Finance costs: Interest	(1,669)		(263)	
Net revenue before taxation	55,279		121,022	
Taxation	-		-	
Net revenue after taxation		55,279		121,022
<b>Total return before distributions</b>		<b>110,549</b>		<b>1,842,090</b>
Finance costs: Distributions		1,054		(4,343)
<b>Change in net assets attributable to Shareholders from investment</b>		<b>111,603</b>		<b>1,837,747</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		46,915,216		51,281,407
Amounts receivable on issue of shares	4,364,945		598,667	
Amounts payable on cancellation of shares	(5,257,529)		(6,528,290)	
		(892,584)		(5,929,623)
Dilution adjustment		3,207		-
Stamp Duty Reserve Tax		-		(469)
Change in net assets attributable to Shareholders from investment activities (see above)		111,603		1,837,747
<b>Closing net assets attributable to Shareholders</b>		<b>46,137,442</b>		<b>47,189,062</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		22,313,105		25,715,631
Debtors	209,621		196,925	
Cash and bank balances	<u>25,202,456</u>		<u>23,070,921</u>	
Total other assets		<u>25,412,077</u>		<u>23,267,846</u>
Total assets		47,725,182		48,983,477
<b>LIABILITIES</b>				
Investment liabilities		(926,879)		(990,889)
Bank overdraft	(341,733)		(9,106)	
Creditors	(319,128)		(1,066,412)	
Distribution payable on income shares	<u>-</u>		<u>(1,854)</u>	
Total other liabilities		<u>(660,861)</u>		<u>(1,077,372)</u>
Total liabilities		(1,587,740)		(2,068,261)
<b>Net assets attributable to Shareholders</b>		<u><b>46,137,442</b></u>		<u><b>46,915,216</b></u>

\*Gross of investment liabilities.

**Portfolio transaction costs**

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Analysis of total purchase costs:				
Purchases before transaction costs		7,641,260		50,075,150
Commissions	3,511		5,935	
Taxes	<u>1</u>		<u>2</u>	
Total purchase costs		3,512		5,937
<b>Gross purchases total</b>		<b><u>7,644,772</u></b>		<b><u>50,081,087</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		10,740,223		52,108,008
Commissions	(3,351)		(4,311)	
Taxes	<u>(5)</u>		<u>(7)</u>	
Total sales costs		(3,356)		(4,318)
<b>Total sales net of transaction costs</b>		<b><u>10,736,867</u></b>		<b><u>52,103,690</u></b>

**BNY MELLON INVESTMENT FUNDS – INSIGHT GLOBAL MULTI-STRATEGY FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£136.68m
Sector:	The Investment Association Mixed Investment 20-60% Shares
Yield as at 31 December 2014:	
Sterling Income Shares	0.04%
Sterling Accumulation Shares	0.04%
Institutional Shares (Income)	0.47%
Institutional Shares (Accumulation)	0.47%
S Shares (Net Income)	1.15%
S Shares (Net Accumulation)	1.25%
Institutional Shares W (Net Income)	0.56%
Institutional Shares W (Net Accumulation)	0.56%
Retail Advised Shares B (Net Income)	0.36%
Retail Advised Shares B (Net Accumulation)	0.35%
Key Dates: Fund Launch	09 February 2013

### Investment Objective

The objective of the Fund is to achieve capital growth.

### Statutory Performance Data

From	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	4.74%	n/a	n/a	n/a	n/a
Sterling Accumulation Shares*	4.74%	n/a	n/a	n/a	n/a
Institutional Shares (Income)*	5.46%	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation)*	5.45%	n/a	n/a	n/a	n/a
S Shares (Net Income)*	6.01%	n/a	n/a	n/a	n/a
S Shares (Net Accumulation)*	6.00%	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	5.55%	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.56%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.34%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.32%	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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 six-month period under review, the Sterling Acc Share Class of the Sub-Fund returned 2.19%.

The Fund made a positive return over the six months. The global economy continued to recover broadly over the second half of the year, building on the positive momentum witnessed in the second quarter. However, financial markets were volatile. Two of the Fund's four return components, equities and total return strategies, detracted from performance. Positive returns from fixed income and real returns acted to more than offset these losses. The Fund's returns were positive over July, August, and November benefiting from an improvement in risk appetite that allowed all four of the Fund's return components to generate positive returns. In September, October and December however, the Fund posted negative returns, mainly driven by weakness in equity markets.

Overall, the Fund's fixed-income allocation edged lower over the third quarter, with small reductions in both government bonds and investment grade credit exposures – the latter representing debt issued by companies that are rated BBB and above by the credit rating agency Standard and Poor's. In government bonds, the Fund continued to build on a bias towards longer duration positions over July and August, before reducing this preference in September as risk aversion took hold: European exposures saw the largest reduction. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates.) In September, the first notable reduction was also made in the Fund's equity allocation since the start of 2014, reflecting growing caution ahead of the completion of the 'tapering' programme of the US Federal Reserve (Fed) and uncertainty regarding the strength of the global economic recovery. ('Tapering' refers to the reduction of the Fed's quantitative easing or bond buying programme.) Within real assets, most activity was centred on the diversified commodities holdings, where initially the exposure was increased in July on signs that emerging market growth could be improving before reducing the position by over two thirds by the end of the period as this theme failed to gain traction.

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

Purchases	Sales
iShares Markit iBoxx \$ Corporate Bond Fund	UBS ETF Composite
Insight UK Government Long Maturities Bond Fund	iShares Markit iBoxx \$ Corporate Bond Fund
Svenska Handelsbanken 0.5% European Certificate of Deposit 13/4/2015	iShares Sterling Corporate Bond Fund
iShares Sterling Corporate Bond Fund	Spain (Kingdom of) 3.75% Bonds 31/10/2018
Societe Nationale 0% European Commercial Paper 15/12/2014	SSgA US Corporate Bond Index Fund
Macquarie Bank 0% European Commercial Paper 16/3/2015	Societe Nationale 0% European Commercial Paper 15/12/2014
UBS ETF Composite	iShares JPMorgan \$ Emerging Markets Bond Fund
iShares Markit iBoxx Euro Corporate Bond Fund	DNB Bank 0.5% Certificate of Deposit 12/12/2014
Nederlandse Waterschapsbank 1.10338% European Medium Term Floating Rate Notes 25/1/2016	BMW Finance 0% European Commercial Paper 28/11/2014
BPCE 1.35675% European Medium Term Floating Rate Notes 6/3/2017	ING Bank 0.56% Certificate of Deposit 12/12/2014

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	106.69	99.13	0.3669
2014	110.62	102.55	0.0395
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	106.89	99.31	0.3678
2014	111.02	102.92	0.0388
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	106.75	99.32	0.9239
2014	110.95	102.77	0.5144
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	107.08	99.56	0.8869
2014	112.23	103.73	0.5182
<b>S Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	106.76	99.24	0.7276
2014	111.35	102.76	1.2615
<b>S Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	107.02	99.48	0.7294
2014	113.07	103.49	1.3964
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	106.70	99.21	0.9509
2014	110.96	102.78	0.6177
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	107.01	99.49	0.9396
2014	112.26	103.69	0.6248
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	106.65	99.14	0.7997
2014	110.83	102.68	0.3902
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	106.93	99.41	0.8026
2014	111.91	103.48	0.3854

\*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
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2013	20,073,719	100.17	20,038,847
30/06/2014	18,037,485	107.21	16,825,043
31/12/2014	17,065,069	109.23	15,623,774
<b>Sterling Accumulation Shares</b>			
		<b>Pence</b>	
30/06/2013	39,679,984	100.36	39,538,143
30/06/2014	36,489,826	107.59	33,915,753
31/12/2014	34,945,732	109.66	31,868,718
<b>Institutional Shares (Income)</b>			
		<b>Pence</b>	
30/06/2013	50	100.00	50
30/06/2014	46,816	107.44	43,576
31/12/2014	55,037	109.64	50,197
<b>Institutional Shares (Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	65,357,738	100.62	64,958,243
30/06/2014	60,871,401	108.67	56,014,817
31/12/2014	59,313,837	111.18	53,349,243
<b>S Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	1,116,145	100.29	1,112,933
30/06/2014	30,488	107.44	28,376
31/12/2014	31,059	109.46	28,376
<b>S Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	19,747,475	100.54	19,642,026
30/06/2014	496,764	108.98	455,817
31/12/2014	375,935	111.54	337,038
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	24,827	100.27	24,760
30/06/2014	1,136,822	107.42	1,058,253
31/12/2014	1,100,613	109.63	1,003,911
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	38,062	100.55	37,853
30/06/2014	21,506,260	108.68	19,788,587
31/12/2014	23,773,280	111.25	21,369,873
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	5,010	100.20	5,000
30/06/2014	5,411	107.34	5,041
31/12/2014	5,538	109.55	5,055
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	5,023	100.46	5,000
30/06/2014	5,420	108.40	5,000
31/12/2014	9,728	110.80	8,780

**Statistics (continued)****Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Sterling Income Shares	1.75	1.81
Sterling Accumulation Shares	1.75	1.81
Institutional Shares (Income)	0.93	0.99
Institutional Shares (Accumulation)	0.93	0.99
S Shares (Net Income)	1.18	1.24
S Shares (Net Accumulation)	1.18	1.24
Institutional Shares W (Net Income)	0.81	0.86
Institutional Shares W (Net Accumulation)	0.81	0.86
Retail Advised Shares B (Net Income)	1.12	1.13
Retail Advised Shares B (Net Accumulation)	1.12	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Sterling Denominated Corporate Bonds 9.07% (0.00%)</b>			
BNZ International Funding 1.25463% European Medium Term Floating Rate Notes 29/1/2016	£1,650,000	1,657,334	1.21
BPCE 1.35675% European Medium Term Floating Rate Notes 6/3/2017	£2,000,000	2,011,095	1.47
National Australia Bank 0.8565% Floating Rate Notes 12/8/2016	£2,000,000	2,004,760	1.47
Nederlandse Waterschapsbank 1.10338% European Medium Term Floating Rate Notes 25/1/2016	£2,000,000	2,010,933	1.47
NRW Bank 0.82025% European Medium Term Floating Rate Notes 17/1/2017	£2,000,000	2,006,462	1.47
Oversea-Chinese Banking 0.95525% European Medium Term Floating Rate Notes 15/5/2017	£1,700,000	1,701,971	1.25
Westpac Banking 0.902750% Floating Rate Notes 28/11/2017	£1,000,000	999,260	0.73
<b>Certificate of Deposit 10.97% (0.00%)</b>			
BNP Paribas 0.6% European Certificate of Deposit 5/5/2015	£1,000,000	1,000,000	0.73
Credit Agricole 0.55% Certificate of Deposit 16/3/2015	£2,000,000	2,000,000	1.46
HSBC France 0% Bonds 14/5/2015	£2,000,000	1,995,410	1.46
Nordea Bank Finland 0% Certificate of Deposit 6/3/2015	£2,000,000	1,998,202	1.46
Overseas-Chinese Banking 0% Certificate of Deposit 24/3/2015	£2,000,000	1,997,158	1.46
Svenska Handelsbanken 0.5% European Certificate of Deposit 13/4/2015	£4,000,000	4,000,000	2.93
UBS AG Jersey 0.56% Certificate of Deposit 12/1/2015	£2,000,000	2,000,124	1.47
<b>Commerical Papers 8.04% (0.00%)</b>			
BNW Finance 0% Bonds 26/2/2015	£2,000,000	1,998,128	1.46
Dexia Credit Local 0% Bonds 12/3/2015	£2,000,000	1,997,614	1.46
DZ Bank 0% Bonds 13/4/2015	£2,000,000	1,996,652	1.46
Macquarie Bank 0% European Commercial Paper 16/3/2015	£3,000,000	2,996,199	2.20
Standard Chartered 0% Commercial Paper 15/4/2015	£2,000,000	1,997,464	1.46
<b>Collective Investment Schemes 32.59% (32.70%)</b>			
BlackRock European Dynamic Fund	524,155	1,883,289	1.38
BNY Mellon European Credit Fund X EUR Accumulation†	39,833	3,533,602	2.59
Insight Global UK Bond Fund S Accumulation†	5,384	5,376,511	3.93
Insight UK Corporate All Maturities Bond Fund†	6460142	12253597	8.96
Insight UK Government All Maturities Bond Fund†	4,252,132	8,254,239	6.04
Insight UK Government Long Maturities Bond Fund†	2,088,984	4,601,405	3.37
Jupiter UK Special Situations Fund I Acc	2,443,252	4,432,792	3.24
Liontrust Special Situations	1,553,647	4,213,489	3.08
<b>Equity 6.03% (6.32%)</b>			
Doric Nimrod Air One	1,158,770	1,251,472	0.91
Doric Nimrod Air Two (Private Placing)	755,907	1,640,318	1.20
Duet Real Estate Finance	1,215,858	568,414	0.42
GCP Infrastructure Investments Fund	451,540	548,621	0.40
Greencoat UK Wind	622,900	691,419	0.51
NB Distressed Debt Investment Fund	3,174,124	2,178,171	1.59
TwentyFour Select Monthly Income Fund	1,414,000	1,368,045	1.00
<b>Exchange Traded Funds 5.48% (10.17%)</b>			
iShares Markit iBoxx \$ Corporate Bond Fund	28,078	2,049,960	1.50
iShares Markit iBoxx Euro Corporate Bond Fund	26,032	2,715,627	1.99
iShares Sterling Corporate Bond Fund	20,053	2,720,390	1.99
<b>Derivatives 2.13% (0.62%)</b>			
<b>Futures 1.70% (0.26%)</b>			
Bovespa Index Future February 2015	BRL94	61,177	0.05
Euro Buxl 30 Year Bond Future March 2015	EUR 12	54,759	0.04
Euro Stoxx 50 March 2015	EUR 88	115,027	0.08
Euro-BTP Future March 2015	EUR 26	11,970	0.01
Euro-BTP Short Future March 2015	EUR 16	1,514	0.00
Euro-Oat Future March 2015	EUR 24	10,500	0.01
FTSE 100 Index Future March 2015	£296	1,044,240	0.76

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Derivatives (continued)</b>			
<b>Futures (continued)</b>			
FTSE 250 Mid Life March 2015	£111	177,632	0.13
FTSE Dividend Future December 2015	£584	(40,240)	(0.03)
FTSE/JSE TOP 40 March 2015	ZAR 46	56,221	0.04
H-Shares Index Future January 2015	HKD 23	16,586	0.01
KOSPI2 Index Future March 2015	KRW 11	(22,770)	(0.02)
Long Gilt Future March 2015	£37	122,100	0.09
Nikkei 225 (CME) March 2015	USD 47	(112,537)	(0.08)
Nikkei 225 Dividend December 2015	JPY 164	157,584	0.12
S&P 500 Emini Future March 2015	USD 134	274,646	0.20
S&P TSX 60 IX Futures March 2015	CAD 16	94,370	0.07
SGX CNX Nifty January 2015	USD 103	(8,918)	(0.01)
SPI 200 Futures March 2015	AUD 12	40,944	0.03
Swiss Market IX Futures March 2015	CHF 18	39,817	0.03
US 10 Year Note (CBT) March 2015	USD 84	14,832	0.01
US 2 Year Note (CBT) March 2015	USD (49)	7,696	0.01
US 5 Year Treasury Notes Future (CBT) March 2015	USD (91)	1,423	0.00
US Long Bond (CBT) March 2015	USD 48	203,039	0.15
<b>Options 0.48% (0.38%)</b>			
Euro US Dollar February 2015 1.2 (Put options)	EUR(17,250,000)	(99,654)	(0.07)
Euro US Dollar February 2015 1.22 (Put options)	EUR17,250,000	189,830	0.14
Euro US Dollar February 2015 1.28 (Call options)	EUR(17,250,000)	(9,010)	(0.01)
FTSE 100 Put Option 20/3/2015 6200	£(166)	(163,510)	(0.12)
FTSE 100 Put Option 20/3/2015 6600	£83	184,675	0.14
NIKKEI Call Option 9/1/2015 18000	JPY74	25,729	0.02
NIKKEI Call Option 9/1/2015 18500	JPY(74)	(5,938)	0.00
NIKKEI Put Option 9/1/2015 16000	JPY(74)	(7,125)	(0.01)
S&P 500 Call Option 20/2/2015 2075	USD 104	224,775	0.16
S&P 500 Call Option 20/2/2015 2125	USD (104)	(83,373)	(0.06)
S&P 500 Call Option 20/3/2015 2025	USD 43	242,681	0.18
S&P 500 Call Option 20/3/2015 2075	USD (86)	(275,222)	(0.20)
S&P 500 Put Option 20/2/2015 1975	USD (104)	(162,745)	(0.12)
S&P 500 Put Option 20/3/2015 1825	USD (90)	(93,506)	(0.07)
S&P 500 Put Option 20/3/2015 1950	USD 45	94,372	0.07
SX5E DIV Call Option 16/12/2016 110	EUR645	289,826	0.21
SX5E DIV Call Option 16/12/2016 115	EUR(645)	(163,183)	(0.12)
SX5E DIV Call Option 18/12/2015 105	EUR875	474,661	0.35
SX5E DIV Call Option 18/12/2015 110	EUR(875)	(194,890)	(0.14)
SX5E DIV Put Option 16/12/2016 95	EUR(645)	(90,602)	(0.07)
SX5E DIV Put Option 18/12/2015 90	EUR(875)	(1,358)	0.00
UK Sterling US Dollar January 2015 1.57 (Put options)	£(13,450,000)	(121,628)	(0.09)
UK Sterling US Dollar January 2015 1.585 (Put options)	£13,450,000	222,396	0.16
UK Sterling US Dollar January 2015 1.62 (Call options)	£(13,450,000)	(1,009)	0.00
US Dollar Japanese Yen February 2015 110 (Put options)	USD(21,450,000)	(3,137)	0.00
US Dollar Japanese Yen February 2015 115 (Call options)	USD21,450,000	534,458	0.39
US Dollar Japanese Yen February 2015 117 (Call options)	USD(21,450,000)	(351,303)	(0.26)
<b>AUD Forward Foreign Currency Contracts (0.01)% (0.00%)</b>			
Forward Foreign Currency Contracts 06/03/15	AUD2,200,000	1,150,243	0.84
Forward Foreign Currency Contracts 06/03/15	£(1,163,842)	(1,163,842)	(0.85)
<b>CAD Forward Foreign Currency Contracts 0.01% (0.01%)</b>			
Forward Foreign Currency Contracts 06/03/15	CAD3,700,000	2,047,021	1.50
Forward Foreign Currency Contracts 06/03/15	£(2,036,750)	(2,036,750)	(1.49)
Forward Foreign Currency Contracts 06/03/15	CAD(1,900,000)	(1,051,173)	(0.77)
Forward Foreign Currency Contracts 06/03/15	£1,059,890	1,059,890	0.77

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Derivatives (continued)</b>			
<b>CHF Forward Foreign Currency Contracts (0.01)% (0.01)%</b>			
Forward Foreign Currency Contracts 06/03/15	CHF 1,500,000	969,641	0.71
Forward Foreign Currency Contracts 06/03/15	£(982,994)	(982,994)	(0.72)
<b>EUR Forward Foreign Currency Contracts 0.09% (-0.02)%</b>			
Forward Foreign Currency Contracts 06/03/15	EUR(11,900,000)	(9,244,370)	(6.76)
Forward Foreign Currency Contracts 06/03/15	£9,370,358	9,370,358	6.85
<b>JPY Forward Foreign Currency Contracts (0.11)% (0.00)%</b>			
Forward Foreign Currency Contracts 06/03/15	JPY261,000,000	1,397,480	1.02
Forward Foreign Currency Contracts 06/03/15	£(1,384,037)	(1,384,037)	(1.01)
Forward Foreign Currency Contracts 15/01/15	JPY706,000,000	3,777,118	2.76
Forward Foreign Currency Contracts 15/01/15	USD(6,105,761)	(3,916,146)	(2.86)
Forward Foreign Currency Contracts 15/01/15	JPY(706,000,000)	(3,777,118)	(2.76)
Forward Foreign Currency Contracts 15/01/15	USD5,844,758	3,748,743	2.74
<b>KRW Forward Foreign Currency Contracts (0.04)% (0.00)%</b>			
Forward Foreign Currency Contracts 15/01/15	KRW(5,100,000,000)	(2,980,440)	(2.18)
Forward Foreign Currency Contracts 15/01/15	USD4,570,802	2,931,645	2.14
<b>SGD Forward Foreign Currency Contracts 0.01% (0.00)%</b>			
Forward Foreign Currency Contracts 15/01/15	SGD(5,700,000)	(2,758,163)	(2.02)
Forward Foreign Currency Contracts 15/01/15	USD4,312,474	2,765,958	2.03
<b>USD Forward Foreign Currency Contracts 0.01% (-0.02)%</b>			
Forward Foreign Currency Contracts 06/03/15	USD8,200,000	5,261,402	3.85
Forward Foreign Currency Contracts 06/03/15	£(5,235,208)	(5,235,208)	(3.83)
Forward Foreign Currency Contracts 06/03/15	USD5,400,000	3,464,826	2.53
Forward Foreign Currency Contracts 06/03/15	£(3,449,093)	(3,449,093)	(2.52)
Forward Foreign Currency Contracts 06/03/15	USD12,800,000	8,212,920	6.01
Forward Foreign Currency Contracts 06/03/15	£(8,200,280)	(8,200,279)	(6.00)
Forward Foreign Currency Contracts 06/03/15	USD(21,900,000)	(14,051,793)	(10.28)
Forward Foreign Currency Contracts 06/03/15	£14,018,494	14,018,494	10.25
Forward Foreign Currency Contracts 06/03/15	USD(1,800,000)	(1,154,942)	(0.85)
Forward Foreign Currency Contracts 06/03/15	£1,145,205	1,145,205	0.84
Forward Foreign Currency Contracts 06/03/15	USD(2,200,000)	(1,411,595)	(1.03)
Forward Foreign Currency Contracts 06/03/15	£1,416,423	1,416,423	1.04
<b>Portfolio of investments*</b>		<b>101,567,373</b>	<b>74.31</b>
<b>Net current assets</b>		<b>35,108,455</b>	<b>25.69</b>
<b>Total Net Assets</b>		<b>136,675,828</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the period ended December 2014, 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		2,784,444		5,786,558
Revenue	921,198		1,448,787	
Expenses	(764,562)		(859,845)	
Finance costs: Interest	-		(925)	
Net revenue before taxation	156,636		588,017	
Taxation	-		-	
Net revenue after taxation		156,636		588,017
<b>Total return before distributions</b>		<b>2,941,080</b>		<b>6,374,575</b>
Finance costs: Distributions		(242,843)		(588,017)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>2,698,237</b>		<b>5,786,558</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		138,626,693		146,048,033
Amounts receivable on issue of shares	3,187,963		2,554,776	
Amounts payable on cancellation of shares	(8,070,842)		(11,547,055)	
		(4,882,879)		(8,992,279)
Stamp Duty Reserve Tax		-		(2,115)
Change in net assets attributable to Shareholders from investment activities (see above)		2,698,237		5,786,558
Retained distributions on accumulation shares		232,983		536,890
Unclaimed distributions		794		-
<b>Closing net assets attributable to Shareholders</b>		<b>136,675,828</b>		<b>143,377,087</b>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		103,865,217		75,953,499
Debtors	1,498,464		444,411	
Cash and bank balances	37,115,386		65,664,925	
Total other assets		38,613,850		66,109,336
Total assets		142,479,067		142,062,835
<b>LIABILITIES</b>				
Investment liabilities		(2,297,844)		(2,827,187)
Bank overdraft	(3,048,359)		(85,613)	
Creditors	(455,934)		(520,964)	
Distribution payable on income shares	(1,102)		(2,378)	
Total other liabilities		(3,505,395)		(608,955)
Total liabilities		(5,803,239)		(3,436,142)
<b>Net assets attributable to Shareholders</b>		<b>136,675,828</b>		<b>138,626,693</b>

\*Gross of investment liabilities.

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>S Shares (Net Income)</b>						
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
<b>S Shares (Net Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>S Shares (Net Income)</b>						
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
<b>S Shares (Net Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		90,583,925		56,867,378
Commissions	6,379		27,051	
Taxes	-		3	
Total purchase costs		6,379		27,054
<b>Gross purchases total</b>		<b>90,590,304</b>		<b>56,894,432</b>
Analysis of total sales proceeds:				
Sales before transaction costs		63,258,186		29,025,208
Commissions	(8,454)		(15,297)	
Taxes	-		(4)	
Total sales costs		(8,454)		(15,301)
<b>Total sales net of transaction costs</b>		<b>63,249,732</b>		<b>29,009,907</b>

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

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser: Insight Investment Management (Global) Limited

Fund Size: £45.87m

Sector: The Investment Association £ Strategic Bond

Yield as at 31 December 2014:

Sterling Income Shares	1.91%
Sterling Accumulation Shares	1.91%
Institutional Shares (Income)	2.59%
Institutional Shares (Accumulation)	2.59%
Institutional Shares W (Net Income)	2.57%
Institutional Shares W (Net Accumulation)	2.57%
Retail Advised Shares B (Net Income)	2.28%
Retail Advised Shares B (Net Accumulation)	2.28%
X Shares (Net Accumulation)	3.21%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	3.69%	n/a	n/a	n/a	n/a
Sterling Accumulation Shares*	3.69%	n/a	n/a	n/a	n/a
Institutional Shares (Income)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	4.25%	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.24%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.98%	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.98%	n/a	n/a	n/a	n/a
X Shares (Net Accumulation)*	4.66%	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Acc Share Class of the Sub-Fund returned 0.20% against 2.13% for The Investment Association £ Strategic Bond.

The Fund made a positive return over the six months. Over this time, returns have principally come from narrowing credit spreads and falling government bond yields, with a cheapening of the cost of inflation protection detracting from returns. Over the period, duration was managed tactically. Duration – a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates – was initially reduced at the beginning of July but then as geopolitical tensions rose, principally in the Ukraine, this position was closed and duration was raised to the same level as at the end of the first half of the year. The Fund's duration position was then again reduced as bond yields approached their year-to-date lows. Within inflation, a position in the US inflation-linked markets was maintained, increasing the size of the trade following the summer's sell-off of the asset class.

In credit markets (markets for borrowing money in the form of bank loans, bonds etc.), the Fund continued to have a significant allocation to asset-backed securities (ABS) while retaining a preference for financial bonds over non-financial securities. Within financials, the Fund switched its holding in Santander UK into ING, a Dutch banking group and bought Erste Group, an Austrian savings bank. The exposure to high yield (lower rated bonds) was reduced during the period.

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

Purchases	Sales
Treasury 1.25% Index-Linked 22/11/2017	Treasury 1.25% Index-Linked 22/11/2017
Treasury 0.125% Index Linked Gilt 22/11/2019	Treasury 0.125% Index Linked Gilt 22/11/2019
Treasury 0.125% Index Linked Gilt 22/3/2024	Treasury 0.125% Index Linked Gilt 22/3/2024
European Investment Bank 5.375% Guaranteed Senior Bonds 7/6/2021	Talanx Finanz 8.3673% Guaranteed Floating Rate European Medium Term Bonds 15/6/2042
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/4/2021	Intesa Sanpaolo 4% Senior European Medium Term Notes 30/10/2023
National Australia Bank 3% European Medium Term Bonds 4/9/2026	AXA 6.772% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Notes
US Treasury 0.625% Notes 15/1/2024	Iberdrola Finanzas 7.375% Guaranteed European Medium Term Bonds 29/1/2024
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	Firstgroup 6.875% Guaranteed Bonds 18/9/2024
BPCE 5.25% Subordinated Notes 16/4/2029	Petrobras Global Finance 5.375% Notes 1/10/2029
ING Bank 5.8% Bonds 25/9/2023	Lloyds Banking Group 7.875% Perpetual Floating Rate Bonds

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	104.20	97.85	2.1974
2014	103.81	99.92	2.3554
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	104.20	98.63	2.2095
2014	106.58	102.15	2.4216
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	104.34	97.85	2.6861
2014	104.01	99.92	2.9050
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	104.34	98.84	2.6998
2014	107.62	102.65	2.9944
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	104.39	97.89	2.6934
2014	104.06	99.96	2.9060
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	104.39	98.88	2.7092
2014	107.69	102.70	3.0083
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	104.33	97.89	2.4680
2014	103.97	99.96	2.6526
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	104.33	98.79	2.4838
2014	107.19	102.47	2.7352
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 6 November)	100.50	99.26	0.5140
2014	104.56	99.35	3.3271

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2013	13,085,854	97.53	13,417,036
30/06/2014	12,136,453	101.80	11,921,288
31/12/2014	11,361,368	100.91	11,258,877
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2013	15,274,348	98.47	15,511,011
30/06/2014	14,069,222	105.30	13,361,442
31/12/2014	18,610,473	105.57	17,628,682

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Institutional Shares (Income)</b>		<b>Pence</b>	
30/06/2013	11,661	97.52	11,957
30/06/2014	12,172	101.80	11,957
31/12/2014	17,152	100.90	16,999
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2013	10,441	98.69	10,580
30/06/2014	11,297	106.08	10,650
31/12/2014	11,396	106.63	10,687
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	24,465	97.56	25,076
30/06/2014	5,168,428	101.85	5,074,702
31/12/2014	6,842,012	100.95	6,777,621
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	90,406	98.73	91,571
30/06/2014	320,139	106.14	301,622
31/12/2014	5,814,758	106.70	5,449,390
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,879	97.58	5,000
30/06/2014	5,218	101.85	5,123
31/12/2014	5,240	100.96	5,190
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	4,932	98.64	5,000
30/06/2014	5,289	105.78	5,000
31/12/2014	5,310	106.20	5,000
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2014	3,178,611	102.88	3,089,566
31/12/2014	3,201,903	103.64	3,089,566

**Ongoing Charges**

Share Class	31/12/2014	30/06/2014
	%	%
Sterling Income Shares	1.37	1.36
Sterling Accumulation Shares	1.37	1.36
Institutional Shares (Income)	0.71	0.70
Institutional Shares (Accumulation)	0.71	0.70
Institutional Shares W (Net Income)	0.71	0.75
Institutional Shares W (Net Accumulation)	0.71	0.75
Retail Advised Shares B (Net Income)	1.00	1.00
Retail Advised Shares B (Net Accumulation)	1.00	1.00
X Shares (Net Accumulation)	0.20	0.20

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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Bonds 4.75% (0.00%)</b>			
Treasury 1.25% Index-Linked 22/11/2017	£1,515,000	2,177,665	4.75
<b>Overseas Government Bonds 6.47% (0.00%)</b>			
Italy (Republic) 6% Bonds 4/8/2028	EUR 121,000	147,627	0.32
US Treasury 0.625% Notes 15/1/2024	USD 4,072,200	2,678,110	5.84
US Treasury 1.375% Notes 15/2/2044	USD 191,000	142,052	0.31
<b>Sterling Denominated Corporate Bonds 66.68% (64.49%)</b>			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£656,000	690,210	1.50
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/4/2021	£1,000,000	1,188,315	2.59
ABP Finance 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£140,000	177,305	0.39
Affinity Water Programme Finance 1.548% Index Linked Bonds 1/6/2045	£500,000	655,561	1.43
AIG 5% Guaranteed Senior European Medium Term Bonds 26/4/2023	£400,000	459,520	1.00
Allianz Finance II 4.5% Guaranteed Bonds 13/3/2043	£500,000	586,701	1.28
Anglian Water Services 3.07% Index Linked Bonds 30/7/2032	£330,000	684,941	1.49
Annington Finance No 4 8.07% Guaranteed Bonds 10/1/2023	£320,000	425,936	0.93
Aviva 5.9021% Guaranteed Perpetual Subordinated Floating Rate Bonds	£180,000	188,550	0.41
Aviva 6.125% Guaranteed Perpetual Floating Rate Bonds	£450,000	477,585	1.04
AXA 5.453% Subordinated Perpetual Floating Rate Notes	£472,000	470,820	1.03
Barclays 10% Guaranteed Subordinated European Medium Term Bonds 21/5/2021	£218,000	289,031	0.63
BL Superstore Finance 5.578% Guaranteed Asset Backed Bonds 4/10/2025	£370,000	429,137	0.94
BPCE 5.25% Subordinated Notes 16/4/2029	£600,000	643,176	1.40
Channel Link Enterprises Finance 2.26813% Guaranteed Floating Rate Bonds 20/6/2050	£428,000	422,739	0.92
Circle Anglia Social Housing 5.2% European Medium Term Notes 2/3/2044	£300,000	373,140	0.81
Commonwealth Bank of Australia 3% Guaranteed European Medium Term Bonds 4/9/2026	£1,090,000	1,149,959	2.51
Delamare Finance 6.067% Guaranteed Bonds 19/2/2029	£180,000	198,175	0.43
Dwr Cymru Financing Index Linked Medium Term Notes 31/03/2030	£270,000	568,944	1.24
Electricite de France 6% Perpetual Subordinated Floating Rate Bonds	£400,000	425,080	0.93
Equity Release 5.05% Guaranteed Mortgage Backed Bonds 26/4/2033	£460,000	543,324	1.18
European Investment Bank 5.375% Guaranteed Senior Bonds 7/6/2021	£1,000,000	1,225,155	2.67
Gatwick Funding 6.125% Guaranteed Senior European Medium Term Bonds 2/3/2028	£520,000	654,787	1.43
Goldman Sachs 7.25% Guaranteed Senior Bonds 10/4/2028	£430,000	597,353	1.30
Great Rolling Stock 6.5% Guaranteed Senior European Medium Term Bonds 5/4/2031	£539,000	689,489	1.50
Health Care REIT 4.8% Senior Notes 20/11/2028	£500,000	547,306	1.19
Heathrow Funding 6% Guaranteed European Medium Term Bonds 20/3/2020	£100,000	113,674	0.25
Heathrow Funding 7.125% Guaranteed European Medium Term Bonds 14/2/2024	£600,000	759,779	1.66
HSBC 6% Guaranteed Subordinated European Medium Term Bonds 29/3/2040	£500,000	591,594	1.29
Imperial Tobacco Finance 4.875% Guaranteed European Medium Term Notes 7/6/2032	£600,000	665,616	1.45
Intu (SGS) Finance 3.875% Guaranteed Senior European Medium Term Bonds 17/3/2028	£550,000	573,056	1.25
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£140,043	168,320	0.37
Kelda Finance 3 5.75% Guaranteed Senior Notes 17/2/2020	£200,000	204,600	0.45
Koninklijke KPN 5% Guaranteed Senior European Medium Term Bonds 18/11/2026	£450,000	501,022	1.09
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£150,000	177,720	0.39
Land Securities Capital Markets 5.125% Senior Floating Rate European Medium Term Bonds 7/2/2036	£250,000	316,435	0.69
Legal & General 6.385% Guaranteed Perpetual Subordinated Floating Rate Bonds	£100,000	104,750	0.23
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£350,000	705,533	1.54
Moyle Interconnector 2.9376% Guaranteed Index Linked Bonds 31/3/2033	£341,003	582,541	1.27
National Grid 2.983% Senior Index Linked Bonds 8/7/2018	£380,000	612,207	1.33
National Australia Bank 3% European Medium Term Bonds 4/9/2026	£1,060,000	1,124,475	2.45
Newday Part 2014-1 0% Asset Backed Bonds 15/12/2017	£500,000	500,000	1.09
Punch Taverns Finance 7.274% Guaranteed Bonds 15/4/2022	£225,000	255,375	0.56
QBE Capital Funding 7.5% Variable Rate Guaranteed Bonds 24/5/2041	£300,000	337,865	0.74
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	£450,000	465,660	1.02
RSA Insurance 6.701% Guaranteed Perpetual Floating Rate Bonds	£100,000	106,500	0.23
Scottish Widows 5.5% Bonds 16/6/2023	£160,000	171,712	0.37
Scottish Widows 7% Subordinated Bonds 16/6/2043	£400,000	496,380	1.08
Severn Trent Finance 5.791124% Floating Rate Notes 30/5/2028	£330,000	692,571	1.51
Slate Mortgage Backed 2.00612% Floating Rate Notes 24/1/2051	£200,000	200,000	0.44
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£700,000	721,924	1.57

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Sterling Denominated Corporate Bonds (continued)</b>			
Southern Water Services 5.0259% Index Linked Bond 31/3/23	£350,000	617,015	1.34
Southern Water Services Finance 4.5% Senior Floating Rate European Medium Term Bonds 31/3/2038	£200,000	207,778	0.45
Telefonica Emisiones 5.289% Guaranteed European Medium Term Bonds 9/12/2022	£400,000	460,079	1.00
Telefonica Emisiones 5.445% Guaranteed European Medium Term Bonds 8/10/2029	£100,000	117,753	0.26
Telefonica Emisiones 5.597% Guaranteed European Medium Term Notes 12/3/2020	£100,000	114,215	0.25
Telereal Securitisation 5.4252% Guaranteed Asset Backed Bonds 10/12/2033	£183,160	209,009	0.46
Telereal Securitisation 6.1645% Guaranteed Asset Backed Bonds 10/12/2033	£269,920	327,564	0.71
Tesco Property Finance 4 5.8006% Guaranteed Mortgage Backed Bonds 13/10/2040	£98,992	97,291	0.21
Tesco Property Finance 5 5.6611% Guaranteed Mortgage Backed Bonds 13/10/2041	£533,886	518,713	1.13
Thames Water Utilities 3.375% Notes 21/7/2021	£7,000	12,226	0.03
Unique Pub Finance 5.659% Bonds 30/6/2027	£73,387	72,164	0.16
Verizon Communications 4.75% Senior European Medium Term Notes 17/2/2034	£100,000	113,040	0.25
Wales & West Utilities Finance 6.75% Guaranteed Floating Rate European Medium Term Notes 17/12/2036	£142,000	164,405	0.36
WHG Treasury 4.25% Senior Bonds 6/10/2045	£400,000	430,721	0.94
White City Property Finance 5.1202% Guaranteed Bonds 17/4/2035	£475,905	567,313	1.24
Yorkshire Water Services Bradford Finance 2.718% Index Linked Bonds 30/12/2039	£350,000	644,308	1.40
<b>Non-Sterling Denominated Corporate Bonds 19.78% (30.01%)</b>			
Access Midstream Partners 4.875% Bonds 15/5/2023	USD 140,000	91,133	0.20
Access Midstream Partners 4.875% Bonds 15/3/2024	USD 140,000	91,133	0.20
Achmea 6% Subordinated Floating Rate Notes 4/4/2043	EUR 390,000	345,151	0.75
Assicurazioni Generali 4.125% Senior Subordinated European Medium Term Notes 4/5/2026	EUR 200,000	166,565	0.36
Assicurazioni Generali 10.125% Floating Rate European Medium Term Bonds 10/7/2042	EUR 400,000	429,941	0.94
Babson European Collateral Senior Floating Rate Notes 15/4/2027	EUR 250,000	192,868	0.42
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD 490,000	343,613	0.75
BBVA Leasing 0.281% Floating Rate Notes 26/5/2031	EUR 70,205	53,586	0.12
BBVA-5 FTPYME Fondo de Titulizacion de Activos Floating Rate Notes 15/3/2039	EUR 209,790	157,822	0.34
Carlyle Global Market Strategies European Collateral Floating Rate Notes 15/4/2027	EUR 200,000	155,989	0.34
Channel Link 2.917% Guaranteed Bonds 30/6/2050	EUR 110,000	84,727	0.19
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR 300,000	284,487	0.62
Credit Agricole 8.125% Bonds 19/9/2033	USD 200,000	143,104	0.31
Credit Suisse 6.25% Perpetual Subordinated Floating Rate Notes	USD 300,000	183,742	0.40
CVC Cordatus Loan Fund III Floating Rate Notes 8/7/2027	EUR 100,000	77,226	0.17
Deco Bonn 1.941% Floating Rate Notes 7/11/2024	EUR 650,000	504,206	1.10
Delta Spark Ltd 0.575% Asset Backed Floating Rate Notes 22/7/2023	EUR 675,175	504,331	1.10
Empresas Hipotecario TDA CAM 3 Fondo de Titulizacion de Activos Floating Rate Notes 28/1/2040	EUR 176,133	134,162	0.29
EP Energy 4.375% Senior Bonds 1/5/2018	EUR 135,000	110,699	0.24
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD 600,000	365,560	0.80
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR 400,000	364,254	0.79
Fibria Overseas Finance 5.25% Guaranteed Senior Bonds 12/5/2024	USD 170,000	108,318	0.24
German Residential Funding Floating Rate Notes 27/11/2024	EUR 495,214	391,502	0.85
Harvest Collateral VIII Floating Rate Notes 30/4/2026	EUR 190,000	145,630	0.32
ING Bank 5.8% Bonds 25/9/2023	USD 900,000	640,276	1.40
Intesa Sanpaolo 3.928% Subordinated Bonds 15/9/2026	EUR 400,000	317,280	0.69
Perp Trust-IM Variable 3.1133% Bonds 7/11/2039	AUD 678,211	339,698	0.74
Royal Bank of Scotland 3.625% Subordinated Floating Rate European Medium Term Notes 25/3/2024	EUR 400,000	313,500	0.68
Royal Caribbean Cruises 5.25% Bonds 15/11/2022	USD 340,000	228,956	0.50
St Pauls Collateral IV 2.685% Floating Rate Notes 25/4/2028	EUR 250,000	193,219	0.42
Talisman-7 Finance Ltd 0.442% Mortgage Backed Floating Rate Notes 22/4/2017	EUR 518,604	396,696	0.86
Taurus Floating Rate Notes 21/5/2024	EUR 291,826	229,020	0.50
UBS 4.75% Floating Rate European Medium Term Notes 12/2/2026	EUR 300,000	249,643	0.55
Utrecht Funding BV 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR 657,952	510,788	1.11
Verizon Communications 6.55% Senior Notes 15/9/2043	USD 273,000	224,309	0.49
<b>Derivatives -2.12% (-0.96%)</b>			
<b>Interest Rate Swaps -1.96% (-1.14%)</b>			
Receive RPI GBP 12 Months Pay 2.225 % 19/12/2016	£1,000,000	702	0.00
Receive RPI GBP 12 Months Pay 2.2375 % 22/12/2016	£2,000,000	902	0.00

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Interest Rate Swaps (continued)</b>			
Receive RPI GBP 12 Months Pay 3.09% 27/6/2019	£3,900,000	(87,353)	(0.19)
Receive RPI GBP 12 Months 3.31% 2/7/2019	£16,600,000	(731,582)	(1.59)
Receive RPI GBP 12 Months Pay 3.11% 08/10/2024	£4,425,000	(46,165)	(0.10)
Receive RPI GBP 12 Months Pay 3.158% 21/10/2024	£1,500,000	31,602	0.07
Receive RPI USD 12 Months Pay 2.25% 23/10/2024	USD 2600000	(65,854)	(0.15)
<b>Credit Default Swaps 0.07% (0.00%)</b>			
Tesco Plc 1.00% 20/12/2019 Credit Default Swap	£300,000	9,521	0.02
Tesco Plc 1.00% 20/12/2019 Credit Default Swap	£700,000	22,582	0.05
<b>Futures -0.54% (-0.11%)</b>			
Euro-Bobl Future March 2015	EUR (8)	(5,277)	(0.01)
Euro-Bund Future March 2015	EUR (11)	(18,952)	(0.04)
Euro-Schatz Future March 2015	EUR (3)	(407)	0.00
Long Gilt Future March 2015	£(99)	(186,940)	(0.41)
US 10 Year Note (CBT) March 2015	USD (66)	(23,809)	(0.05)
US 5 Year Note (CBT) March 2015	USD (12)	185	0.00
US Long Bond (CBT) March 2015	USD (1)	(2,285)	(0.01)
US Ultra Bond (CBT) March 2015	USD (2)	(9,530)	(0.02)
<b>AUD Forward Foreign Currency Contracts 0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 14/01/15	£355,450	355,450	0.77
Forward Foreign Currency Contracts 14/01/15	AUD (660,000)	(346,187)	(0.75)
<b>EUR Forward Foreign Currency Contracts 0.33% (0.08%)</b>			
Forward Foreign Currency Contracts 07/01/15	£1,847,869	1,847,868	4.03
Forward Foreign Currency Contracts 07/01/15	EUR (2,308,000)	(1,791,226)	(3.91)
Forward Foreign Currency Contracts 07/01/15	EUR 298,000	231,276	0.50
Forward Foreign Currency Contracts 07/01/15	£(234,187)	-234,187	(0.51)
Forward Foreign Currency Contracts 21/01/15	£1,801,756	1,801,756	3.93
Forward Foreign Currency Contracts 21/01/15	EUR (2,270,000)	(1,762,181)	(3.84)
Forward Foreign Currency Contracts 06/02/15	£2,628,635	2,628,634	5.73
Forward Foreign Currency Contracts 06/02/15	EUR (3,315,000)	(2,574,134)	(5.61)
Forward Foreign Currency Contracts 06/02/15	£112,342	112,342	0.24
Forward Foreign Currency Contracts 06/02/15	EUR (143,000)	(111,041)	(0.24)
Forward Foreign Currency Contracts 21/02/15	£149,271	149,271	0.33
Forward Foreign Currency Contracts 21/02/15	EUR (190,000)	(147,495)	(0.32)
<b>USD Forward Foreign Currency Contracts -0.04% (0.20%)</b>			
Forward Foreign Currency Contracts 09/01/15	£2,529,675	2,529,675	5.51
Forward Foreign Currency Contracts 09/01/15	USD (3968000)	(2,544,895)	(5.55)
Forward Foreign Currency Contracts 28/01/15	£2,243,406	2,243,406	4.90
Forward Foreign Currency Contracts 28/01/15	USD (3503000)	(2,247,007)	(4.90)
Forward Foreign Currency Contracts 11/02/15	£161,733	161,733	0.35
Forward Foreign Currency Contracts 11/02/15	USD (253000)	(162,305)	(0.35)
<b>Portfolio of investments*</b>		<b>43,831,823</b>	<b>95.56</b>
<b>Net current assets</b>		<b>2,037,789</b>	<b>4.44</b>
<b>Total Net Assets</b>		<b>45,869,612</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, 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 of the relevant companies or issuers.

\*Net of investment liabilities.

**Portfolio Statement by Credit Rating**

as at 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000s)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>30/06/2014</b>
AAA	2,413	5.26	1.21
AA	1,486	3.24	8.73
A	7,940	17.31	22.23
BBB	16,130	35.17	36.33
BB	3,180	6.93	5.97
B	0	0.00	1.55
Not rated (by S&P)	12,789	27.88	17.33
Derivatives	(106)	(0.23)	0.19
<b>Portfolio of investments</b>	<b>43,832</b>	<b>95.56</b>	<b>93.54</b>
<b>Net current assets</b>	<b>2,038</b>	<b>4.44</b>	<b>6.46</b>
<b>Total Net Assets</b>	<b>45,870</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		(427,930)		557,974
Revenue	759,335		638,906	
Expenses	(191,187)		(183,498)	
Finance costs: Interest	(2,064)		(2,108)	
Net revenue before taxation	566,084		453,300	
Taxation	-		525	
Net revenue after taxation		566,084		453,825
<b>Total return before distributions</b>		<b>138,154</b>		<b>1,011,799</b>
Finance costs: Distributions		(566,191)		(453,825)
<b>Change in net assets attributable to Shareholders from investment</b>		<b>(428,037)</b>		<b>557,974</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		34,906,829		28,506,986
Amounts receivable on issue of shares	13,597,770		1,975,198	
Amounts payable on cancellation of shares	(2,597,237)		(1,978,553)	
		11,000,533		(3,355)
Dilution adjustment		43,590		8,731
Change in net assets attributable to Shareholders from investment activities (see above)		(428,037)		557,974
Retained distributions on accumulation shares		345,057		193,789
Unclaimed distributions		1,640		2,577
<b>Closing net assets attributable to Shareholders</b>		<b>45,869,612</b>		<b>29,266,702</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		45,032,281		33,106,485
Debtors	691,149		488,655	
Cash and bank balances	<u>2,315,136</u>		<u>6,678,718</u>	
Total other assets		<u>3,006,285</u>		<u>7,167,373</u>
Total assets		48,038,566		40,273,858
<b>LIABILITIES</b>				
Investment liabilities		(1,200,458)		(453,191)
Bank overdraft	(485,738)		(77,036)	
Creditors	(254,167)		(4,619,741)	
Distribution payable on income shares	<u>(228,591)</u>		<u>(217,061)</u>	
Total other liabilities		<u>(968,496)</u>		<u>(4,913,838)</u>
Total liabilities		(2,168,954)		(5,367,029)
<b>Net assets attributable to Shareholders</b>		<u><b>45,869,612</b></u>		<u><b>34,906,829</b></u>

\*Gross of investment liabilities.

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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

**BNY MELLON INVESTMENT FUNDS – INSIGHT STRATEGIC BOND FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Insight Investment Management (Global) Limited
Fund Size:	£19.42m
Sector:	The Investment Association £ Strategic Bond
Yield as at 31 December 2014:	
Sterling Income Shares	2.43%
Sterling Accumulation Shares	2.43%
Institutional Shares (Income)	2.85%
Institutional Shares (Accumulation)	2.85%
Institutional Shares W (Net Income)	2.97%
Institutional Shares W (Net Accumulation)	2.97%
Retail Advised Shares B (Net Income)	2.68%
Retail Advised Shares B (Net Accumulation)	2.68%
Key Dates: Fund Launch	09 February 2013

### Investment Objective

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

### Statutory Performance Data

From	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	3.23	n/a	n/a	n/a	n/a
Sterling Accumulation Shares*	3.24	n/a	n/a	n/a	n/a
Institutional Shares (Income)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation)*	n/a	n/a	n/a	n/a	n/a
Institutional Shares W (Net Income)*	3.69	n/a	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	3.69	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.44	n/a	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.43	n/a	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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 six-month period under review, the Sterling Acc Share Class of the Sub-Fund returned -0.74.

Although performance early in the period was positive, returns were held back in September and beyond by a mix of duration positioning and security selection in financials. (Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates). The exposure to asset-backed securities continued to be positive for performance. In duration, the Fund started the period by being long duration in UK Gilts and short duration in 10-year Japanese and German government bonds, as well as 5-year US Treasuries. In September, the duration of the Fund was increased but maintained the existing individual short duration positions. Towards the end of the year the Fund closed the short duration position in Germany as yields continued to fall. In market allocation, peripheral spread contracting trades were held, starting with a long in Spanish bonds versus a short in German Bunds, later switching to being long Italian bond futures and short German Bund futures. This was positive for performance as peripheral spreads continued to narrow. The Fund also held a position in long-dated US inflation-linked bonds, hedged with conventional treasuries. The latter had a negative impact on performance as US inflation-linked bonds declined on the lack of near-term inflation pressures.

In corporate bonds, the Fund continued to reduce credit risk or risk that a debt issuer may default on payments given the strong performance of the market. The exposure to more volatile bonds, such as Wind and Groupama, was reduced, while also selling First Group and American Movil. Attractive new issues from Pizza Express, Play and Ithaca Energy were bought. Purchases also included a position in Royal Caribbean Cruises given its improving credit profile and expectations of a credit rating upgrade. Elsewhere, profits were taken on some subordinated (debt that is ranked below other debt in terms of claims on assets) financial positions including Crédit Agricole, KBC Group and HSBC while reducing the exposure to a number of high yield energy holdings because of the lower oil price. In terms of sectors, the preferred allocation was maintained to subordinated bank debt, asset-backed securities and telecommunications. The Fund continued to hold a small allocation to short-dated high yield bonds, hedged with the iTraxx to minimise directional exposure. A small position was also held in emerging market debt. In currencies, the Fund held a long US dollar position versus a short position in the Japanese yen and Australian dollar, and this was positive for performance.

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

Purchases	Sales
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	Wind Acquisition 7% Guaranteed Senior Notes 23/4/2021
Play Topco SA 7.75% Bonds 28/2/2020	Ithaca Energy 8.125% Guaranteed Senior Notes 01/7/2019
Ithaca Energy 8.125% Guaranteed Senior Notes 01/7/2019	Boparan Finance 5.5% Senior Notes 15/7/2021
Boparan Finance 5.5% Senior Notes 15/7/2021	Travelex Financing 8% Senior Notes 01/8/2018
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	Consolidated Minerals 8% Guaranteed Senior Secured Notes 15/5/2020
Achmea 6% Subordinated Floating Rate Notes 4/4/2043	Lloyds Banking 7.875% Variable Subordinated Notes Perpetual
Intesa Sanpaolo 3.928% Subordinated Bonds 15/9/2026	Genel Energy Finance 7.5% Bonds 14/5/2019
Precise Mortgage Fund 2 Floating Rate Notes 12/12/2047	Telefonica Emision 5.289% Guaranteed Senior Mortgage Notes 09/12/2022
Italy (Republic) 4.75% Bonds 1/9/2044	Gallerie 2013 Srl Commercial Mortgage Backed Notes 17/11/2025
Lusitano Mortgages No6 Ltd 0.282% Mortgage Backed Floating Rate Notes 15/3/2060	RSA Insurance 6.701% Subordinated Perpetual Floating Rate Notes

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	103.30	98.56	2.5769
2014	104.76	100.99	2.7207
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 9 February)	103.75	99.47	2.6022
2014	108.45	103.60	2.8169
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.28	98.51	2.9841
2014	104.79	100.93	3.1755
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.93	99.58	3.0220
2014	109.15	103.96	3.3094
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.25	98.50	2.7812
2014	104.74	100.92	2.9340
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 February)	103.75	99.50	2.8110
2014	108.75	103.75	3.0387
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 17 February)	102.90	99.52	2.6950
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 17 February)	103.68	100.00	2.7225

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2013	8,614,991	98.29	8,764,781
30/06/2014	12,190,747	103.13	11,820,570
31/12/2014	9,910,162	101.16	9,796,611
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2013	3,132,656	99.43	3,150,536
30/06/2014	2,945,873	107.14	2,749,439
31/12/2014	2,544,738	106.57	2,387,882
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	20,851	98.23	21,227
30/06/2014	1,812,976	103.07	1,758,977
31/12/2014	1,709,519	101.10	1,690,940

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	52,673	99.55	52,913
30/06/2014	2,124,483	107.75	1,971,684
31/12/2014	3,109,510	107.41	2,895,047
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,935	98.25	5,023
30/06/2014	109,140	103.07	105,892
31/12/2014	108,166	101.10	106,994
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	4,973	99.46	5,000
30/06/2014	10,549	107.40	9,822
31/12/2014	10,503	106.93	9,822
<b>Institutional Shares (Income)</b>		<b>Pence</b>	
30/06/2014	2,005,691	101.24	1,981,180
31/12/2014	1,700,690	99.30	1,712,656
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2014	453,738	102.37	443,231
31/12/2014	329,446	101.99	323,029

**Ongoing Charges**

Share Class	31/12/2014	30/06/2014
	%	%
Sterling Income Shares	1.56	1.48
Sterling Accumulation Shares	1.56	1.48
Institutional Shares W (Net Income)	1.02	0.96
Institutional Shares W (Net Accumulation)	1.02	0.96
Retail Advised Shares B (Net Income)	1.31	1.23
Retail Advised Shares B (Net Accumulation)	1.31	1.23
Institutional Shares (Income)	1.12	1.04
Institutional Shares (Accumulation)	1.12	1.04

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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Overseas Government Bonds 8.07% (6.54%)</b>			
Italy (Republic) 4.75% Bonds 1/9/2044	EUR400,000	402,540	2.07
Mexico (Government) 5.625% Bonds 19/3/2114	USD400,000	400,000	2.06
US Treasury 0.625% Inflation Indexed Bonds 15/2/2043	USD800,000	501,331	2.58
US Treasury 1.375% Notes 15/2/2044	USD354,000	263,280	1.36
<b>Sterling Denominated Corporate Bonds 23.91% (25.04%)</b>			
Annington Finance No 5 13% Bonds 15/1/2023	£363,464	450,777	2.32
Aviva 6.125% Guaranteed Perpetual Floating Rate Bonds	£220,000	233,486	1.20
AXA 5.453% Subordinated Perpetual Floating Rate Notes	£200,000	199,500	1.03
BL Superstore Finance 5.578% Guaranteed Asset Backed Bonds 4/10/2025	£175,000	202,970	1.04
Channel Link Enterprises Finance 2.26813% Guaranteed Floating Rate Bonds 20/6/2050	£210,000	207,419	1.07
Delamare Finance 6.067% Guaranteed Bonds 19/2/2029	£150,000	165,146	0.85
Electricite de France 6% Perpetual Subordinated Floating Rate Bonds	£100,000	106,270	0.55
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£93,362	112,213	0.58
Kelda Finance 3 5.75% Guaranteed Senior Notes 17/2/2020	£100,000	102,300	0.53
Petrobras Global Finance 6.625% Guaranteed Bonds 16/1/2034	£100,000	84,501	0.43
Precise Mortgage Fund 2 Floating Rate Notes 12/12/2047	£200,000	200,000	1.03
Precise Mortgage Fund 2 Floating Rate Notes 12/12/2047	£200,000	200,000	1.03
Precise Mortgage Fund 1 Floating Rate Notes 12/3/2047	£100,000	102,650	0.53
Punch Taverns Finance 7.274% Guaranteed Bonds 15/4/2022	£150,000	170,250	0.88
QBE Capital Funding 7.5% Variable Rate Guaranteed Bonds 24/5/2041	£300,000	337,865	1.74
Residential Mortgage Securities 21 Mortgage Backed Floating Rate Notes 11/2038	£326,753	335,797	1.73
RSA Insurance 5.125% Guaranteed Bonds 10/10/2045	£450,000	465,660	2.40
Slate Mortgage Backed 2.00612% Floating Rate Notes 24/1/2051	£100,000	100,000	0.51
Society of Lloyd's 4.75% Subordinated Bonds 30/10/2024	£300,000	309,396	1.59
Ulysses European Loan Conduit No 27 0.78713% Mortgage Backed Floating Rate Notes 7/2017	£150,000	144,984	0.75
Unique Pub Finance 5.659% Bonds 30/6/2027	£53,206	52,319	0.27
WHG Treasury 4.25% Senior Bonds 6/10/2045	£100,000	107,680	0.55
White City Property Finance 5.1202% Guaranteed Bonds 17/4/2035	£211,513	252,139	1.30
<b>Non-Sterling Denominated Corporate Bonds 54.55% (56.22%)</b>			
Access Midstream Partners 4.875% Bonds 15/3/2024	USD80,000	52,076	0.27
Access Midstream Partners Finance Corp 4.875% Bonds 15/5/2023	USD80,000	52,076	0.27
Achmea 6% Subordinated Floating Rate Notes 4/4/2043	EUR492,000	435,421	2.24
Assicurazioni Generali 10.125% Floating Rate European Medium Term Bonds 10/7/2042	EUR100,000	107,485	0.55
Assicurazioni Generali 4.125% Senior Subordinated European Medium Term Notes 4/5/2026	EUR200,000	166,565	0.86
AVOCA Collateral 4.205% Floating Rate Notes 15/1/2026	EUR200,000	155,797	0.80
Babson European Collateral 20 3.911% Senior Floating Rate Notes 15/4/2027	EUR250,000	191,780	0.99
Banglalink Digital Communications 8.625% Senior Bonds 6/5/2019	USD400,000	254,610	1.31
Bankia 4% Subordinated Floating Rate Notes 22/5/2024	EUR800,000	605,332	3.12
Bankinter 0.298% Mortgage Backed Floating Rate Notes 16/5/2043	EUR200,000	143,434	0.74
Barclays Bank 7.625% Subordinated Notes 21/11/2022	USD200,000	140,250	0.72
BBVA RMBS 2 Fondo de Titulizacion de Activos 0.262% Mortgage Backed Floating Rate Notes 17/9/2050	EUR200,000	138,633	0.71
Carlyle Global.E.14-1 3.632% Collateral European Seniro Floating Rate Notes 15/4/2027	EUR100,000	77,389	0.40
Chapel BV 0.261% Asset Backed Floating Rate Notes 17/7/2066	EUR527,849	390,785	2.01
Commerzbank 7.75% Subordinated European Medium Term Bonds 16/3/2021	EUR400,000	379,316	1.95
Credit Agricole 8.125% Bonds 19/9/2033	USD300,000	214,656	1.11
Credit Suisse 6.25% Perpetual Subordinated Floating Rate Notes	USD400,000	244,990	1.26
Delta Spark Ltd 0.575% Asset Backed Floating Rate Notes 22/7/2023	EUR429,656	320,938	1.65
Eileme 11.75% Guaranteed Notes 31/1/2020	EUR200,000	176,555	0.91
Erste Bank 5.5% Variable Subordinated Bonds 26/5/2025	USD1,000,000	609,267	3.14
Erste Bank 7.125% Subordinated European Medium Term Notes 10/10/2022	EUR320,000	291,403	1.50

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)	
<b>Non-Sterling Denominated Corporate Bonds (continued)</b>				
Eurosail 2006-2bl 0.4806% Mortgage Backed Floating Rate Notes 12/2044	USD200,000	113,983	0.59	
Fibria Overseas Finance 5.25% Guaranteed Senior Bonds 12/5/2024	USD220,000	140,176	0.72	
Fondo de Titulizacion de Activos Santander Financiacion 0.6310% Floating Rate Notes 20/7/2035	EUR300,000	209,775	1.08	
Genel Energy Finance 7.5% Bonds 14/5/2019	USD200,000	106,889	0.55	
German Residential Funding 2013-2 4.831% Floating Rate Notes 27/11/2024	EUR411,027	324,691	1.67	
German Residential Funding 2013-2 Floating Rate Notes 27/8/2024	EUR194,456	160,502	0.83	
Groupama 6.298% Bonds 29/10/2049	EUR100,000	78,864	0.41	
Harvest Collateral VIII 3.338% Floating Rate European Senior Notes 30/4/2026	EUR150,000	113,475	0.58	
Intesa Sanpaolo 3.928% Subordinated Bonds 15/9/2026	EUR500,000	396,601	2.04	
Kerling 10.625% Senior Notes 28/1/2017	EUR250,000	195,472	1.01	
Lusitano Mortgages No6 Ltd 0.282% Mortgage Backed Floating Rate Notes 15/3/2060	EUR529,913	384,310	1.98	
Monastery 2006-I BV 0.428% Mortgage Backed Floating Rate Notes 17/11/2044	EUR239,390	172,440	0.89	
Newgate Funding 2006-3 0.306% Mortgage Backed Floating Rate Notes 1/12/2050	EUR200,000	133,906	0.69	
Paragon Mortgages No 7 Mortgage Backed Floating Rate Notes 5/2034	USD525,612	325,627	1.68	
Play Topco SA 7.75% Bonds 28/2/2020	EUR500,000	392,883	2.02	
Royal Bank of Scotland 3.625% Subordinated Floating Rate European Medium Term Notes 25/3/2024	EUR300,000	235,125	1.21	
Royal Caribbean Cruises 5.25% Bonds 15/11/2022	USD500,000	336,700	1.73	
St Paul's Collateral III 4.455% Floating Rate Notes 15/1/2028	EUR400,000	311,206	1.60	
St Pauls Collateral IV European 3.485% Floating Rate Notes 25/4/2028	EUR250,000	192,553	0.99	
Talisman-7 Finance Ltd 0.442% Mortgage Backed Floating Rate Notes 22/4/2017	EUR222,260	170,013	0.87	
Taurus Floating Rate Notes 21/5/2024	EUR194,551	152,680	0.79	
Tullow Oil 6.25% Guaranteed Senior Bonds 15/4/2022	USD300,000	161,616	0.83	
UBS 4.75% Floating Rate European Medium Term Notes 12/2/2026	EUR300,000	249,643	1.28	
Utrecht Funding BV 3.209% Mortgage Backed Floating Rate Notes 28/7/2016	EUR397,153	308,322	1.59	
Verizon Communications 6.4% Senior Notes 15/9/2033	USD101,000	79,788	0.41	
<b>Collective Investment Schemes 9.46% (9.76%)</b>				
Insight Global Funds II plc - Insight Emerging Markets Debt Fund†	184,227.00	1,837,073	9.46	
<b>Derivatives 0.50% (0.14%)</b>				
<b>Credit Default Swaps -0.04% (-0.02%)</b>				
People's Republic of China Credit Default Swap	USD600,000	(5,487)	(0.04)	
<b>Futures -0.50% (-0.50%)</b>				
Euro-Bobl Future March 2015	(707,741)	EUR(7)	(4,618)	(0.02)
Euro-Btp Future March 2015	(841,877)	EUR(8)	(6,829)	(0.04)
Euro-Bund Future March 2015	(1,935,447)	EUR(16)	(27,566)	(0.14)
Japan 10 Year Bond(OSE) March 2015	(3,162,192)	JPY (4)	(20,113)	(0.10)
Long Gilt Future March 2015	836,710	£7	21,710	0.11
US 5 Year Note (CBT) March 2015	(2,517,030)	USD(33)	516	0.00
US Long Bond(CBT) March 2015	(463,564)	USD(5)	(8,097)	(0.04)
US Ultra Bond(CBT) March 2015	(1,271,284)	USD(12)	(52,309)	(0.27)
<b>AUD Forward Foreign Currency Contracts 0.00% (0.16%)</b>				
Forward Foreign Currency Contracts 15/01/15	AUD 145,677	76,406	0.40	
Forward Foreign Currency Contracts 15/01/15	USD(120,000)	(76,966)	(0.40)	

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Derivatives (continued)</b>			
<b>EUR Forward Foreign Currency Contracts 1.02% (0.16%)</b>			
Forward Foreign Currency Contracts 07/01/15	EUR(2,780,000)	(2,157,542)	(11.11)
Forward Foreign Currency Contracts 07/01/15	£2,225,769	2,225,769	11.46
Forward Foreign Currency Contracts 15/01/15	EUR146,591	113,785	0.59
Forward Foreign Currency Contracts 15/01/15	USD(180,000)	(115,449)	(0.59)
Forward Foreign Currency Contracts 21/01/15	EUR395,000	306,635	1.58
Forward Foreign Currency Contracts 21/01/15	£(310,641)	(310,641)	(1.60)
Forward Foreign Currency Contracts 21/01/15	EUR(1,600,000)	(1,242,066)	(6.39)
Forward Foreign Currency Contracts 21/01/15	£1,266,076	1,266,076	6.51
Forward Foreign Currency Contracts 06/02/15	EUR6,524,000	(5,065,960)	(26.08)
Forward Foreign Currency Contracts 06/02/15	£5,177,180	5,177,180	26.65
<b>USD Forward Foreign Currency Contracts 0.02% (0.39%)</b>			
Forward Foreign Currency Contracts 09/01/15	USD(1,347,000)	(863,905)	(4.45)
Forward Foreign Currency Contracts 09/01/15	£858,823	858,823	4.42
Forward Foreign Currency Contracts 09/01/15	USD525,000	336,711	1.73
Forward Foreign Currency Contracts 09/01/15	£(334,618)	(334,618)	(1.72)
Forward Foreign Currency Contracts 15/01/15	USD252,269	161,803	0.83
Forward Foreign Currency Contracts 15/01/15	USD(307,953)	(161,519)	(0.83)
Forward Foreign Currency Contracts 15/01/15	USD(183,065)	(117,415)	(0.60)
Forward Foreign Currency Contracts 15/01/15	£116,843	116,843	0.60
Forward Foreign Currency Contracts 15/01/15	USD240,093	153,992	0.79
Forward Foreign Currency Contracts 15/01/15	CHF(231,698)	(149,583)	(0.77)
Forward Foreign Currency Contracts 15/01/15	USD8,815	5,654	0.03
Forward Foreign Currency Contracts 15/01/15	JPY(1,044,983)	(5,591)	(0.03)
Forward Foreign Currency Contracts 15/01/15	USD365,587	235,124	1.21
Forward Foreign Currency Contracts 15/01/15	EUR(293,677)	(227,954)	(1.17)
Forward Foreign Currency Contracts 15/01/15	USD135,002	86,588	0.44
Forward Foreign Currency Contracts 15/01/15	£(86,000)	(86,000)	(0.44)
Forward Foreign Currency Contracts 28/01/15	USD(4,416,000)	(2,832,653)	(14.58)
Forward Foreign Currency Contracts 28/01/15	£2,827,702	2,827,702	14.56
Forward Foreign Currency Contracts 11/02/15	USD(93,000)	(59,662)	(0.31)
Forward Foreign Currency Contracts 11/02/15	£59,541	59,541	0.31
<b>Portfolio of investments*</b>		<b>18,741,859</b>	<b>96.49</b>
<b>Net current assets</b>		<b>680,875</b>	<b>3.51</b>
<b>Total Net Assets</b>		<b>19,422,734</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

† Considered a related party of ACD.

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.

\*Net of investment liabilities.

**Portfolio Statement by Credit Rating**

as at 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000s)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>30/06/2014</b>
AAA	0	0.00	6.53
A	1,766	9.09	5.09
BBB	5,231	26.93	18.22
BB	2,250	11.58	11.30
B	2,120	10.92	23.37
CCC	1,199	6.17	2.69
Not rated(by S&P)	6,078	31.29	30.36
Derivatives	98	0.51	0.14
<b>Portfolio of investments</b>	<b>18,742</b>	<b>96.49</b>	<b>97.70</b>
<b>Net current assets</b>	<b>681</b>	<b>3.51</b>	<b>2.30</b>
<b>Total Net Assets</b>	<b>19,423</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		(396,955)		266,313
Revenue	490,279		284,632	
Expenses	(117,406)		(76,433)	
Finance costs: Interest	(3,643)		(2,783)	
Net revenue before taxation	369,230		205,416	
Taxation	-		-	
Net revenue after taxation		369,230		205,416
<b>Total return before distributions</b>		<b>(27,725)</b>		<b>471,729</b>
Finance costs: Distributions		(369,345)		(205,416)
<b>Change in net assets attributable to Shareholders from investment</b>		<b>(397,070)</b>		<b>266,313</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		21,653,197		11,831,079
Amounts receivable on issue of shares	1,702,811		210,728	
Amounts payable on cancellation of shares	(3,627,887)		(1,213,152)	
		(1,925,076)		(1,002,424)
Dilution adjustment		5,946		639
Change in net assets attributable to Shareholders from investment activities (see above)		(397,070)		266,313
Retained distributions on accumulation shares		84,439		44,133
Unclaimed distributions		1,298		148
<b>Closing net assets attributable to Shareholders</b>		<b>19,422,734</b>		<b>11,139,888</b>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		18,883,834		21,273,193
Debtors	583,088		1,448,115	
Cash and bank balances	916,117		1,367,680	
Total other assets		<u>1,499,205</u>		<u>2,815,795</u>
Total assets		20,383,039		24,088,988
<b>LIABILITIES</b>				
Investment liabilities		(141,975)		(117,407)
Bank overdraft	(508,218)		(107,163)	
Creditors	(218,622)		(2,105,541)	
Distribution payable on income shares	(91,490)		(105,680)	
Total other liabilities		<u>(818,330)</u>		<u>(2,318,384)</u>
Total liabilities		(960,305)		(2,435,791)
<b>Net assets attributable to Shareholders</b>		<u><b>19,422,734</b></u>		<u><b>21,653,197</b></u>

\*Gross of investment liabilities.

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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

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

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£366.74m
Comparative Index:	50% FTSE All Share, 50% (16.67% FTSE AW North America, 16.67% FTSE AW Europe ex UK, 16.67% FTSE AW Asia Pacific)
Sector:	The Investment Association Global
Yield as at 31 December 2014:	
Exempt Shares 1 (Net Accumulation)	1.96%
X Shares (Net Accumulation)	2.41%
Exempt Shares 2 (Net Accumulation)	1.87%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Exempt Shares 1 (Net Accumulation)	5.59%	18.51%	12.75%	-7.61%	13.28%
X Shares (Net Accumulation)	6.13%	19.10%	13.30%	-7.15%	13.84%
Exempt Shares 2 (Net Accumulation)	5.48%	18.39%	12.63%	-7.70%	13.16%
Comparative Index*	4.67%	20.73%	12.97%	-6.48%	14.81%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Exempt 1 Net Sterling Acc Share Class of the Fund returned +4.58% against a return of +2.42% from its composite benchmark.

The Fund delivered a positive return, outperforming its composite benchmark. Stock selection was a source of outperformance, particularly in consumer services, financials and industrials. The largest individual contribution to the Fund's outperformance came from Citigroup, the US financial firm, which was propelled higher by encouraging second-quarter results and better US economic data. Dollar General, which operates discount stores in the US, rose strongly in August when the company joined the battle to take over rival Family Dollar, as investors welcomed the prospect of consolidation among discount retailers. In the UK, electronics and mobile-phone retailer Dixons Carphone performed well; this entity resulted from the merger of Carphone Warehouse and Dixons in August, which was well received by investors. Mobile operator Vodafone Group also made a good contribution, as it appears to be turning around the decline in its services revenue. In a difficult period for commodities stocks, not holding BG Group was also beneficial. The largest individual detractor from the Fund's returns was Royal Dutch Shell, which was affected by the sharp fall in the oil price over the period. Yamana Gold, a Canadian gold-mining company, also suffered from declining commodity prices, as the gold price declined. In the US, telecommunications company Sprint Corp suffered from subscriber losses and a failure to merge with T-Mobile.

The UK element of the portfolio was a focus for trading activity during the period. A position was established in Cobham, the aerospace & defence group. In the fund manager's view, Cobham should benefit from the signs of stabilisation in defence spending. Another new position was in Merlin Entertainments, the operator of an international portfolio of entertainment attractions, which is judged, in the fund manager's view, to have considerable potential for growth both in new markets and from existing sites. Sales within UK equities included BHP Billiton, on the basis that demand for iron ore is becoming more challenging. The residual holding in Standard Chartered was sold as the fund manager had grown more cautious regarding the outlook for its trade finance and commercial lending activities in Asia.

Within overseas equities, TJX, the discount clothing and household goods retailer, was added to the Fund. Its expansion into new and existing international territories presents exciting growth opportunities. The Fund also participated in the initial public offering of Rocket Internet, the holding company for a number of e-commerce businesses focused on emerging markets. In these countries, the lack of formal retail infrastructure and falling cost of accessing the internet present compelling opportunities for those new entrants able to build dominant positions in their chosen categories.

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

#### Purchases

CRH  
Yum! Brands  
Insurance Australia  
Melrose Industries  
Wolters Kluwer  
Imperial Tobacco  
Walgreen  
Cobham  
TJX  
Wolseley

#### Sales

BHP Billiton  
eBay  
GlaxoSmithKline  
BP  
Toyota Motor  
Cable & Wireless  
Microsoft  
Japan Tobacco  
Anheuser-Busch InBev  
Mattel

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	147.20	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

\*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
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	344,784,243	189.03	182,396,418
30/06/2013	350,919,561	229.84	152,681,746
30/06/2014	345,160,515	245.65	140,511,803
31/12/2014	333,105,368	256.53	129,849,787
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	148,847,304	195.04	76,314,827
30/06/2013	118,410,047	238.33	49,682,798
30/06/2014	27,277,711	256.01	10,654,938
31/12/2014	3,423,139	268.04	1,277,122
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	45,733,425	140.23	32,613,768
30/06/2013	51,304,559	170.33	30,120,753
30/06/2014	54,475,871	181.86	29,954,517
31/12/2014	30,210,762	189.82	15,915,811

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Exempt Shares 1 (Net Accumulation)	0.56	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 34.23% (40.66%)</b>			
Associated British Foods	102,082	3,218,645	0.88
BAE Systems	901,637	4,251,218	1.16
Barclays	2,274,424	5,538,222	1.51
BP	1,769,582	7,265,904	1.98
British American Tobacco	309,649	10,837,715	2.96
Bunzl	188,461	3,324,452	0.91
Cable & Wireless	7,375,556	3,660,488	1.00
Centrica	2,475,657	6,904,607	1.88
Chemring	703,700	1,658,973	0.45
Cobham	1,114,208	3,608,920	0.98
Dixons Carphone	1,428,391	6,593,453	1.80
GlaxoSmithKline	827,153	11,381,625	3.10
Imperial Tobacco	129,023	3,659,092	1.00
John Wood	282,088	1,682,655	0.46
Johnson Matthey	81,828	2,779,697	0.76
Melrose Industries	1,348,601	3,596,719	0.98
Merlin Entertainments	614,843	2,438,467	0.67
Mitchells & Butlers	1,376,278	5,251,877	1.43
Pearson	426,925	5,076,138	1.38
Prudential	514,140	7,670,969	2.09
Reed Elsevier	522,480	5,736,830	1.56
Sage	515,745	2,401,825	0.66
Smiths	167,542	1,836,260	0.50
Vodafone	5,838,110	12,998,552	3.54
WS Atkins	157,607	2,149,760	0.59
<b>Collective Investment Schemes 1.27% (0.81%)</b>			
Newton Global Emerging Markets Fund - X Net Income Shares	911,425	4,665,950	1.27
<b>United States of America 18.26% (18.98%)</b>			
Abbott Laboratories	67,886	1,960,063	0.53
Accenture	119,114	6,822,557	1.86
Citigroup	295,283	10,248,976	2.79
Dollar General	173,878	7,881,800	2.15
Dun & Bradstreet	33,997	2,637,343	0.72
Equifax	56,286	2,919,616	0.80
Express Scripts	56,037	3,042,548	0.83
Kraft Foods class 'A' shares	53,733	2,158,969	0.59
Marathon Oil	108,855	1,974,295	0.54
Medtronic	81,522	3,774,297	1.03
Microsoft	206,347	6,147,070	1.68
PNC Financial Services	42,190	2,468,490	0.67
Principal Financial	55,137	1,836,309	0.50
Sprint	647,808	1,724,164	0.47
TJX	82,778	3,640,268	0.99
Walgreen	83,982	4,096,092	1.12
Yum! Brands	77,950	3,641,416	0.99
<b>Canada 1.13% (1.94%)</b>			
Barrick Gold	193,923	1,336,971	0.37
Suncor Energy	83,120	1,697,379	0.46
Yamana Gold	431,323	1,112,938	0.30
<b>Brazil 0.28% (0.75%)</b>			
International Meal	362,946	1,041,167	0.28

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Australia 1.17% (0.23%)</b>			
Insurance Australia	1,053,018	3,448,622	0.94
Newcrest Mining	146,394	830,566	0.23
<b>Hong Kong 2.66% (2.09%)</b>			
AIA	2,001,268	7,116,797	1.94
Belle International	3,654,381	2,632,345	0.72
<b>India 1.29% (0.93%)</b>			
Apollo Hospitals Enterprise	172,295	1,976,363	0.54
ITC	731,246	2,737,796	0.75
<b>Japan 5.72% (7.42%)</b>			
Sawai Pharmaceuticals	90,400	3,355,916	0.92
Softbank	158,200	6,100,490	1.66
Sugi	105,600	2,779,152	0.76
Topcon	229,500	3,166,046	0.86
Toyota Motor	138,100	5,583,208	1.52
<b>Philippines 1.08% (0.96%)</b>			
Energy Development	33,660,300	3,957,245	1.08
<b>Jersey 1.87% (0.00%)</b>			
Wolseley	185,681	6,844,202	1.87
<b>Luxembourg 0.82% (0.00%)</b>			
Millicom International Cellular	63,173	3,014,732	0.82
<b>France 3.46% (4.37%)</b>			
Air Liquide	50,457	4,025,439	1.10
Sanofi	89,635	5,251,983	1.43
Total	102,960	3,397,109	0.93
<b>Germany 4.50% (3.03%)</b>			
Bayer	80,179	7,059,336	1.92
MTU Aero Engines	63,285	3,529,776	0.96
Rocket Internet	54,333	2,186,729	0.60
SAP	82,683	3,741,605	1.02
<b>Ireland 1.93% (0.51%)</b>			
CRH	458,839	7,084,474	1.93
<b>Israel 0.93% (0.82%)</b>			
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	92,759	3,420,646	0.93
<b>Netherlands 7.92% (2.20%)</b>			
Royal Dutch Shell class 'B' shares	717,233	16,012,227	4.37
Wolters Kluwer	661,669	13,017,197	3.55
<b>Norway 0.92% (0.85%)</b>			
DNB	354,943	3,361,022	0.92
<b>Sweden 1.11% (2.44%)</b>			
Ericsson series 'B' shares	295,986	2,286,674	0.63
TeliaSonera	428,351	1,768,690	0.48

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Switzerland 6.30% (6.19%)</b>			
Actelion	35,175	2,615,394	0.71
Credit Suisse	266,096	4,305,694	1.17
Nestlé	153,874	7,240,078	1.97
Novartis	37,985	2,262,894	0.62
Roche	38,557	6,714,221	1.83
<b>Portfolio of investments</b>		<b>355,176,409</b>	<b>96.85</b>
<b>Net current assets</b>		<b>11,562,860</b>	<b>3.15</b>
<b>Total Net Assets</b>		<b>366,739,269</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Belgium, Mexico and CHF Forward Foreign Currency portfolio categories, which, at 30 June 2014, represented 0.81%, 0.29% and 0.03% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		14,576,784		26,016,361
Revenue	4,261,706		5,731,848	
Expenses	<u>(1,126,440)</u>		<u>(1,216,170)</u>	
Net revenue before taxation	3,135,266		4,515,678	
Taxation	<u>(99,380)</u>		<u>(181,643)</u>	
Net revenue after taxation		<u>3,035,886</u>		<u>4,334,035</u>
<b>Total return before distributions</b>		<b>17,612,670</b>		<b>30,350,396</b>
Finance costs: Distributions		(3,035,886)		(4,334,112)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>14,576,784</u></b>		<b><u>26,016,284</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		426,914,097		520,634,167
Amounts receivable on issue of shares	6,867,237		5,509,669	
Amounts payable on cancellation of shares	<u>(84,204,341)</u>		<u>(38,442,743)</u>	
		(77,337,104)		(32,933,074)
Dilution adjustment		33,455		26,291
Stamp Duty Reserve Tax		-		(14,466)
Change in net assets attributable to Shareholders from investment activities (see above)		14,576,784		26,016,284
Retained distributions on accumulation shares		2,552,037		4,143,509
<b>Closing net assets attributable to Shareholders</b>		<b><u>366,739,269</u></b>		<b><u>517,872,711</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		355,176,409		411,165,603
Debtors	1,792,540		2,895,320	
Cash and bank balances	<u>10,544,869</u>		<u>14,350,152</u>	
Total other assets		<u>12,337,409</u>		<u>17,245,472</u>
Total assets		367,513,818		428,411,075
<b>LIABILITIES</b>				
Creditors		<u>(774,549)</u>		<u>(1,496,978)</u>
Total other liabilities		<u>(774,549)</u>		<u>(1,496,978)</u>
Total liabilities		(774,549)		(1,496,978)
<b>Net assets attributable to Shareholders</b>		<u><b>366,739,269</b></u>		<u><b>426,914,097</b></u>

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
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.

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		73,027,167		101,616,501
Commissions	49,772		107,592	
Taxes	<u>194,101</u>		<u>173,669</u>	
Total purchase costs		243,873		281,261
<b>Gross purchases total</b>		<b><u>73,271,040</u></b>		<b><u>101,897,762</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		143,717,111		115,979,782
Commissions	(65,642)		(59,263)	
Taxes	<u>(12,782)</u>		<u>(3,404)</u>	
Total sales costs		(78,424)		(62,667)
<b>Total sales net of transaction costs</b>		<b><u>143,638,687</u></b>		<b><u>115,917,115</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON ASIAN INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£4,749.56m
Comparative Index:	FTSE AW Asia Pacific ex Japan TR GBP
Sector:	The Investment Association Asia Pacific Excluding Japan

Yield as at 31 December 2014:

Sterling Income Shares	4.61%
Institutional Shares (Income)	4.67%
Institutional Shares (Accumulation)	4.52%
X Shares (Net Income)	4.71%
Institutional Shares (Accumulation) Euro	5.57%
Institutional Shares (Income) Euro	5.78%
Euro Accumulation Shares	5.49%
Euro Income Shares	5.68%
Institutional Shares (Income) USD	7.46%
Institutional Shares (Accumulation) USD	7.20%
USD Income Shares	7.36%
USD Accumulation Shares	7.11%
Institutional Shares W (Net Income)	4.68%
Institutional Shares W (Net Accumulation)	4.51%
Retail Advised Shares B (Net Income)	4.61%
Retail Advised Shares B (Net Accumulation)	4.45%
P Shares (Net Income)	4.68%
X Shares (Net Accumulation) USD	5.45%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	10.35%	-1.27%	21.46%	-1.45%	31.98%
Institutional Shares (Income)	10.98%	-0.71%	22.15%	-0.89%	32.74%
Institutional Shares (Accumulation)	10.99%	-0.69%	22.18%	-0.91%	32.66%
X Shares (Net Income)*	12.04%	n/a	n/a	n/a	n/a
Institutional Shares (Accumulation) Euro*	10.72%	-0.26%	n/a	n/a	n/a
Institutional Shares (Income) Euro*	10.73%	-0.27%	n/a	n/a	n/a
Euro Accumulation Shares*	10.11%	-0.78%	n/a	n/a	n/a
Euro Income Shares*	10.08%	-0.79%	n/a	n/a	n/a
Institutional Shares (Income) USD*	11.31%	-0.39%	n/a	n/a	n/a
Institutional Shares (Accumulation) USD*	11.34%	-0.36%	n/a	n/a	n/a
USD Income Shares*	10.71%	-0.94%	n/a	n/a	n/a
USD Accumulation Shares*	10.72%	-0.92%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	11.26%	-0.47%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	11.26%	-0.45%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	10.90%	-0.77%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	10.90%	-0.74%	n/a	n/a	n/a
P Shares (Net Income)*	10.99%	-0.72%	n/a	n/a	n/a
X Shares (Net Accumulation) USD	12.37%	0.30%	23.37%	0.11%	34.17%
FTSE AW Asia Pacific ex Japan TR GBP	10.05%	1.32%	17.47%	-14.84%	23.88%

Source: Lipper as at 31 December 2014 - 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 six-month period in review, the Sterling Income Share Class of the Sub-Fund returned +4.83% against a return of +5.77% from the FTSE AW Asia Pacific ex Japan Index.

The Fund generated a positive return but marginally underperformed FTSE AW Asia Pacific ex Japan Index. On a sector basis, exposure to telecoms and utilities made a meaningful positive contribution, whereas holdings in the financials sector were the largest drag on returns. This was due to the underweight position in Chinese banks and poor performance from Standard Chartered, which issued a full-year profit warning and came under pressure from US regulators concerning its dealings with Iran. Exposure to the Macau casino operators Sands China and Wynn Macau were also large detractors. Growth in the sector's VIP business has been hampered by the Chinese government's recent anti-corruption drive and credit problems among the junket operators who bring VIP gamblers from the mainland. However, long term growth is well supported by structural drivers such as increased travel for the Chinese mass market. On the other side, the Fund's top contributor was Meridian Energy in New Zealand. The stock strengthened following the National Party's general-election victory in September, which removed the threat of unfavourable restructuring of the energy market. Other positives included the Link Real Estate Investment Trust, which continued to demonstrate the resilience of its portfolio of Hong Kong shopping centres, and not holding Samsung Electronic, as sales of its smartphones fell dramatically.

It was a relatively quiet period for new purchases. In August, the Fund bought into Australian fertiliser company Incitec Pivot, an attractively valued company with a high yield, and in October initiated a holding in Insurance Australia Group, a well-managed business in a duopoly market. A number of existing positions were topped up including shopping-centre group Scentre, Singapore Telecommunications (Sing Tel), and Australian energy provider AGL Energy. Much of the activity over the latter part of the period was concerned with raising the Fund's cash level in anticipation of market volatility. To this end, the Fund sold out of Singaporean electronics manufacturer Venture Corporation as well as defence and engineering group Singapore Engineering Technologies, Hong Kong television station TVB, and China Mobile. The Fund reduced exposure to energy by significantly lowering the weighting in oil-field service provider WorleyParsons, and to banks by selling out of United Overseas Bank and HSBC Holdings. Part of the cash raised was deployed in SingTel, which has defensive – less economically sensitive – characteristics.

**Fund Report (continued)**

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The table below shows the top purchases and sales for the period.

<b>Purchases</b>	<b>Sales</b>
Insurance Australia	HSBC
Singapore Telecommunications	Standard Chartered
Incitec Pivot	United Overseas Bank
Standard Chartered	China Mobile (Hong Kong)
MediaTek	WorleyParsons
China Mobile (Hong Kong)	Singapore Tech Engineering
APA	Television Broadcasts
Suncorp	Indo Tambangraya Megah
BHP Billiton	Australia & New Zealand Bank
Scentre	Venture

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation) Euro</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 30 January)	120.69	100.00	5.4466
2013	135.06	113.48	5.6271
2014	139.17	111.92	6.1155
<b>Institutional Shares (Income) Euro</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 5 March)	110.16	96.61	4.2555
2013	121.02	98.89	5.0200
2014	117.41	96.88	5.2122
<b>Euro Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 5 March)	113.57	96.84	4.3057
2013	126.82	106.20	5.1854
2014	129.72	104.66	5.6078
<b>Euro Income Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 5 March)	109.71	96.50	4.1918
2013	120.34	98.05	4.8973
2014	116.02	96.00	5.0511
<b>Institutional Shares (Income) USD</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 2 April)	108.63	92.05	3.7008
2013	119.23	101.36	5.0425
2014	114.99	99.08	5.1600

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

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

Calendar Year

	<b>Highest Price</b>	<b>Lowest Price</b>	<b>Net Revenue per share*</b>
<b>Institutional Shares (Accumulation) USD</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 2 April)	111.96	92.06	3.7875
2013	125.15	106.38	5.3057
2014	128.24	107.69	5.7073
<b>USD Income Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 2 April)	108.22	91.95	3.7368
2013	118.58	100.72	4.9294
2014	113.67	98.20	5.0136
<b>USD Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2012 (from 2 April)	111.54	91.95	3.7561
2013	124.44	105.69	5.1734
2014	126.57	106.61	5.5486
<b>X Shares (Net Accumulation) USD</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2013 (from 2 December)	100.00	96.80	0.6873
2014	112.41	93.87	5.0549
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	107.63	99.24	1.0399
2013	123.81	100.74	5.1316
2014	114.33	97.41	5.0325
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	108.02	99.24	1.0225
2013	126.57	105.91	5.2754
2014	124.18	103.11	5.4261
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 1 October)	105.21	100.00	0.6655
2013	120.91	98.24	4.9452
2014	111.30	94.97	4.8262
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 1 October)	105.21	100.00	0.6655
2013	123.16	102.87	5.0843
2014	120.33	100.11	5.1763
<b>P Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 20 September)	105.97	99.73	0.6878
2013	121.78	98.97	5.0065
2014	112.15	95.68	4.9289
<b>P Shares (Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 1 October)	105.22	100.00	0.6834
2013 (to 26 July)	123.16	104.64	2.7612

\*\*P Shares (Accumulation) share class closed 26 July 2013.

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

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2012	884,043,315	164.78	536,506,491
30/06/2013	1,217,470,398	183.65	662,920,727
30/06/2014	779,782,245	173.26	450,074,320
31/12/2014	650,715,957	177.55	366,494,831
<b>Institutional Shares (Income)</b>			
		<b>Pence</b>	
30/06/2012	785,835,020	170.33	461,363,300
30/06/2013	914,987,374	190.79	479,574,156
30/06/2014	651,583,258	180.82	360,356,575
31/12/2014	621,915,979	185.79	334,750,352
<b>Institutional Shares (Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	319,624,695	236.75	135,002,535
30/06/2013	707,806,322	278.62	254,038,063
30/06/2014	1,344,335,065	276.98	485,360,275
31/12/2014	1,307,064,685	291.02	449,130,009
<b>X Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2012	78,690,706	173.05	45,472,142
30/06/2013	28,239,271	195.79	14,422,979
30/06/2014	72,024,809	187.25	38,464,004
31/12/2014	81,245,926	193.25	42,041,677
<b>Institutional Shares (Accumulation) Euro</b>			
		<b>Cents</b>	
30/06/2012	6,975,188	107.47	8,048,862
30/06/2013	62,548,385	119.05	61,305,931
30/06/2014	44,172,846	126.65	43,556,621
31/12/2014	42,964,242	137.30 *	40,323,331
<b>Institutional Shares (Income) Euro</b>			
		<b>Cents</b>	
30/06/2012	12,090	99.96	15,000
30/06/2013	3,109,241	105.34	3,443,968
30/06/2014	15,121,592	106.84	17,676,006
31/12/2014	18,246,223	113.28 *	20,755,499
<b>Euro Accumulation Shares</b>			
		<b>Cents</b>	
30/06/2012	59,474	101.38	72,755
30/06/2013	16,818,987	111.70	17,569,652
30/06/2014	18,487,193	118.17	19,537,671
31/12/2014	20,475,183	127.75 *	20,652,263
<b>Euro Income Shares</b>			
		<b>Cents</b>	
30/06/2012	12,071	99.79	15,000
30/06/2013	7,740,434	104.69	8,627,426
30/06/2014	8,858,348	105.70	10,466,297
31/12/2014	13,563,376	111.76 *	15,637,839
*Euro/Sterling exchange rate at close of business 31 December 2014:		1.288550	
<b>Institutional Shares (Income) USD</b>			
		<b>Cents</b>	
30/06/2012	9,149	95.15	15,000
30/06/2013	11,719,106	103.62	17,153,636
30/06/2014	18,169,057	110.68	28,068,809
31/12/2014	23,113,842	103.71 **	34,750,992
**USD/Sterling exchange rate at close of business 31 December 2014:		1.559250	

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Institutional Shares (Accumulation) USD</b>			<b>Cents</b>
30/06/2012	3,267,742	96.29	5,294,867
30/06/2013	13,840,588	110.14	19,059,423
30/06/2014	19,437,212	123.42	26,927,066
31/12/2014	18,094,633	118.27 **	23,856,756
<b>USD Income Shares</b>			<b>Cents</b>
30/06/2012	9,138	95.04	15,000
30/06/2013	4,986,968	102.98	7,344,705
30/06/2014	5,059,900	109.50	7,900,720
31/12/2014	4,852,387	102.35 **	7,392,025
<b>USD Accumulation Shares</b>			<b>Cents</b>
30/06/2012	39,940	96.13	64,819
30/06/2013	21,444,155	109.40	29,728,773
30/06/2014	44,760,563	121.92	62,774,498
31/12/2014	54,363,024	116.52 **	72,748,991
<b>X Shares (Net Accumulation) USD</b>			<b>Cents</b>
30/06/2014	63,461,959	108.01	100,458,757
31/12/2014	66,977,335	103.96 **	100,458,757
**USD/Sterling exchange rate at close of business 31 December 2014:		1.559250	
<b>Institutional Shares W (Net Income)</b>			<b>Pence</b>
30/06/2013	762,537,337	109.19	698,383,952
30/06/2014	1,185,793,593	103.71	1,143,411,095
31/12/2014	1,402,276,454	106.69	1,314,324,865
<b>Institutional Shares W (Net Accumulation)</b>			<b>Pence</b>
30/06/2013	88,958,555	113.03	78,706,131
30/06/2014	299,874,433	112.64	266,222,550
31/12/2014	418,342,343	118.50	353,038,064
<b>Retail Advised Shares B (Net Income)</b>			<b>Pence</b>
30/06/2013	1,248,286	106.61	1,170,922
30/06/2014	1,970,701	101.02	1,950,736
31/12/2014	2,333,883	103.79	2,248,662
<b>Retail Advised Shares B (Net Accumulation)</b>			<b>Pence</b>
30/06/2013	851,793	109.94	774,781
30/06/2014	2,030,227	109.22	1,858,881
31/12/2014	2,937,360	114.71	2,560,703
<b>P Shares (Net Income)</b>			<b>Pence</b>
30/06/2013	404,982	107.37	377,201
30/06/2014	70,747	101.77	69,514
31/12/2014	72,693	104.57	69,514
<b>P Shares (Accumulation)***</b>			<b>Pence</b>
30/06/2013	150,128	109.96	136,526

\*\*\*P Shares (Accumulation) share class closed 26 July 2013.

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.64	1.64
Institutional Shares (Income)	1.07	1.07
Institutional Shares (Accumulation)	1.07	1.07
X Shares (Net Income)	0.07	0.07
Institutional Shares (Accumulation) Euro	1.07	1.07
Institutional Shares (Income) Euro	1.07	1.07
Euro Accumulation Shares	1.64	1.64
Euro Income Shares	1.64	1.64
Institutional Shares (Income) USD	1.07	1.07
Institutional Shares (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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Australia 37.44% (34.18%)</b>			
Ancor	20,000,000	142,336,054	3.00
AMP	25,000,000	72,165,219	1.52
APA	20,000,000	77,885,953	1.64
Australia & New Zealand Banking	6,000,000	100,989,320	2.13
BHP Billiton	6,000,000	83,310,000	1.75
Dexus Property (Stapled)	12,000,000	43,897,447	0.92
Incitec Pivot	20,000,000	33,274,726	0.70
Insurance Australia	30,000,000	98,249,665	2.07
IOOF Holdings	6,000,000	27,774,425	0.58
L Energy	9,000,000	63,106,516	1.33
Orora	40,000,000	40,727,425	0.86
Scentre	70,000,000	128,217,913	2.70
Spotless	90,000,000	89,747,290	1.89
Suncorp	9,000,000	66,176,818	1.39
Sydney Airport	50,000,000	123,336,920	2.60
Telstra	50,000,000	156,664,130	3.30
Transurban	40,000,000	179,914,451	3.79
Wesfarmers	6,000,000	131,094,025	2.76
Woodside Petroleum	6,000,000	119,348,151	2.51
<b>New Zealand 6.65% (5.44%)</b>			
Genesis	20,000,000	21,504,298	0.45
Meridian Energy	170,000,000	149,126,544	3.14
Mighty River Power	30,000,000	44,662,773	0.94
Telecom	50,000,000	77,946,816	1.64
Z Energy	10,000,000	22,757,463	0.48
<b>China 2.78% (3.86%)</b>			
China Shenhua Energy	30,000,000	56,691,546	1.19
PetroChina	90,000,000	63,861,724	1.34
Yuexiu Transport Infrastructure	30,000,000	11,710,464	0.25
<b>Hong Kong 10.13% (16.31%)</b>			
Belle International	12,000,000	8,643,910	0.18
Hopwell Highway	90,000,000	28,804,764	0.61
Hui Xian	30,000,000	10,761,303	0.23
Link Real Estate Investment Trust	30,000,000	120,329,977	2.53
Man Wah	30,000,000	31,558,707	0.66
NWS Holdings	40,000,000	47,172,659	0.99
RREF China Commercial Trust	5,000,000	0	0.00
Sands China	40,000,000	126,367,151	2.66
Wynn Macau	60,000,000	107,676,722	2.27
<b>Indonesia 0.94% (1.51%)</b>			
Telekomunikasi Indonesia Persero	300,000,000	44,429,916	0.94
<b>South Korea 1.43% (1.35%)</b>			
Macquarie Korea Infrastructure Fund	17,000,000	67,946,448	1.43

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Malaysia 3.52% (3.49%)</b>			
Axiata	50,000,000	64,656,358	1.36
IGB Real Estate Investment Trust	140,000,000	33,382,857	0.70
KLCC Property	10,000,000	12,307,636	0.26
Pavilion Real Estate	90,000,000	23,606,449	0.50
Sunway Real Estate	120,000,000	33,016,013	0.70
<b>Philippines 3.32% (3.30%)</b>			
Manila Electric	9,000,000	32,903,627	0.69
Philippine Long Distance Telephone	3,000,000	124,904,748	2.63
<b>Singapore 14.46% (14.76%)</b>			
Cache Logistics Trust	50,000,000	27,949,860	0.59
Hutchison Port	200,000,000	87,862,755	1.85
Keppel	17,000,000	72,732,552	1.53
Keppel Real Estate Investment Trust	100,000,000	58,803,601	1.24
K-Green Trust	60,000,000	30,926,338	0.65
Mapletree Commercial Trust	50,000,000	34,120,608	0.72
Mapletree Greater	100,000,000	45,736,134	0.96
Mapletree Industrial Real Estate Investment Trust	50,000,000	35,814,539	0.75
Mapletree Logistics Trust	100,000,000	57,351,660	1.21
Parkway Life Real Estate Investment Trust	60,000,000	68,531,604	1.44
Singapore Telecommunications	50,000,000	94,376,149	1.99
SPH Property	50,000,000	25,045,978	0.53
Suntec Real Estate Investment Trust	50,000,000	47,430,065	1.00
<b>Taiwan 6.07% (4.82%)</b>			
Delta Electronics	2,500,000	9,563,596	0.20
MediaTek	2,500,000	23,414,320	0.49
Taiwan Mobile	40,000,000	84,423,465	1.78
Taiwan Semiconductor Manufacturing	60,000,000	171,079,281	3.60
<b>Thailand 6.96% (6.29%)</b>			
Advanced Info Service (Alien Market)	20,000,000	97,857,086	2.06
Bangkok Bank	10,000,000	38,012,215	0.80
Bangkok Expressway	50,000,000	38,012,215	0.80
BTS Rail Mass Transit	70,000,000	13,440,729	0.28
Intouch (non-voting Depository Receipts)	70,000,000	107,116,471	2.26
Tesco Lotus Retail Growth Freehold & Leasehold Property	150,000,000	35,965,403	0.76
<b>Portfolio of investments</b>		<b>4,450,513,945</b>	<b>93.70</b>
<b>Net current assets</b>		<b>299,041,580</b>	<b>6.30</b>
<b>Total Net Assets</b>		<b>4,749,555,525</b>	<b>100.00</b>

Total unapproved and unquoted securities 0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the United Kingdom portfolio categories, which, at 30 June 2014, represented 3.64% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains/(losses)		146,398,487		(335,013,169)
Revenue	117,322,123		97,020,655	
Expenses	<u>(25,384,891)</u>		<u>(24,479,097)</u>	
Net revenue before taxation	91,937,232		72,541,558	
Taxation	<u>(8,146,498)</u>		<u>(5,965,796)</u>	
Net revenue after taxation		<u>83,790,734</u>		<u>66,575,762</u>
<b>Total return before distributions</b>		<b>230,189,221</b>		<b>(268,437,407)</b>
Finance costs: Distributions		(105,885,010)		(87,524,397)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>124,304,211</u></b>		<b><u>(355,961,804)</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		4,574,993,748		3,864,862,310
Amounts receivable on issue of shares	448,674,207		813,972,158	
Amounts payable on cancellation of shares	<u>(441,366,843)</u>		<u>(206,657,852)</u>	
		7,307,364		607,314,306
Dilution adjustment		178,564		423,014
Stamp Duty Reserve Tax		-		(88,885)
Change in net assets attributable to Shareholders from investment activities (see above)		124,304,211		(355,961,804)
Retained distributions on accumulation shares		42,771,375		26,466,308
Unclaimed distributions		263		2,535
<b>Closing net assets attributable to Shareholders</b>		<b><u>4,749,555,525</u></b>		<b><u>4,143,017,784</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		4,450,513,945		4,526,877,030
Debtors	24,511,930		46,270,246	
Cash and bank balances	312,769,348		44,046,968	
Total other assets		<u>337,281,278</u>		<u>90,317,214</u>
Total assets		4,787,795,223		4,617,194,244
<b>LIABILITIES</b>				
Creditors	(17,577,904)		(6,919,741)	
Distribution payable on income shares	(20,661,794)		(35,280,755)	
Total other liabilities		<u>(38,239,698)</u>		<u>(42,200,496)</u>
Total liabilities		(38,239,698)		(42,200,496)
<b>Net assets attributable to Shareholders</b>		<u><b>4,749,555,525</b></u>		<u><b>4,574,993,748</b></u>

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Income)</b>						
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

**Interim dividend distribution in cents per Share**

<b>Institutional Shares (Accumulation) Euro</b>						
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
<b>Institutional Shares (Income) Euro</b>						
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
<b>Euro Accumulation Shares</b>						
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
<b>Euro Income Shares</b>						
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

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

	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 October 2014 Group 2: Shares purchased 1 October 2014 to 31 December 2014
						<b>Prior Period 31/12/2013</b>
<b>Institutional Shares (Income) USD</b>						
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
<b>Institutional Shares (Accumulation) USD</b>						
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
<b>USD Income Shares</b>						
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
<b>USD Accumulation Shares</b>						
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
<b>X Shares (Net Accumulation) USD</b>						
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**

	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	Period
						Group 1: Shares purchased prior to 1 July 2014 Group 2: Shares purchased 1 July 2014 to 30 September 2014
						<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
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 (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 (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 (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
Institutional Shares (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

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

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		346,955,567		821,098,080
Commissions	437,217		1,667,532	
Taxes	<u>281,587</u>		<u>326,201</u>	
Total purchase costs		718,804		1,993,733
<b>Gross purchases total</b>		<b><u>347,674,371</u></b>		<b><u>823,091,813</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		556,103,369		173,989,396
Commissions	(640,179)		(386,713)	
Taxes	<u>(339,336)</u>		<u>(99,871)</u>	
Total sales costs		(979,515)		(486,584)
<b>Total sales net of transaction costs</b>		<b><u>555,123,854</u></b>		<b><u>173,502,812</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON CONTINENTAL EUROPEAN FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£167.17m
Comparative Index:	FTSE Europe ex UK TR GBP
Sector:	The Investment Association Europe Excluding UK

Yield as at 31 December 2014:

Sterling Income Shares	1.17%
Euro Accumulation Shares	0.31%
Exempt Shares 1 (Net Accumulation)	2.02%
Institutional Shares W (Net Income)	2.02%
Institutional Shares W (Net Accumulation)	1.94%
Retail Advised Shares B (Net Income)	1.84%
Retail Advised Shares B (Net Accumulation)	1.66%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	-1.62	24.65%	18.47%	-17.19%	2.32%
Euro Accumulation Shares	-2.36	24.58%	17.45%	-17.28%	1.32%
Exempt Shares 1 (Net Accumulation)	-0.57	26.00%	19.73%	-16.30%	3.42%
Institutional Shares W (Net Income)*	-0.83	25.70%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-0.84	25.70%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-1.15	25.27%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-1.16	25.29%	n/a	n/a	n/a
FTSE Europe ex UK TR GBP	0.16	25.18%	17.82%	-14.71%	5.75%

Source: Lipper as at 31 December 2014 - 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 six-month period in review, the Sterling Income Share Class of the Sub-Fund returned -1.32% against a return of -2.88% from the FTSE World Europe ex UK Index.

The Fund delivered a negative return that was better than the decline in the FTSE World Europe ex UK Index. Sector positioning boosted the Fund's relative returns overall, especially having an overweight position in healthcare. Stock selection, however, was the main source of outperformance, particularly in basic materials. Top contributors at the stock level included Nokia of Finland and German companies LEG and Bayer. Nokia continued to show that, without its devices business (which it sold in 2013), it is once again profitable, growing and cash-generative. Residential real-estate firm LEG outperformed 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. Detractors from performance included French cable manufacturer Nexans, which reported disappointing second-quarter results. Oil companies Galp Energia of Portugal and Statoil of Norway both suffered as the oil price fell precipitously to the lowest levels since the financial crisis.

The Fund established new positions in Vivendi, Infineon and the aforementioned Statoil. French media company Vivendi is steadily divesting its telecommunications assets and refocusing on media. Infineon of Germany is a leader in key niches of industrial and automotive semiconductors, and is outgrowing and out-investing its peers. Statoil has enjoyed relative success in finding new hydrocarbon reserves in recent years. It has also led its industry in arguing for greater capital discipline and better management of expenses. These purchases were funded by the sale of emerging market-orientated telecoms and media firm Millicom, as it became clear that its roll-out of online services in emerging markets would be less profitable than Newton had previously thought. The Fund sold Norwegian media group Schibsted as it was starting to look overvalued following good performance; the company also faces increasing competition. The position in French construction company Vinci was exited owing to concerns about the increasingly slow French economy. The Fund also sold vehicle parts supplier Valeo and telecoms provider Swisscom, as their respective investment cases had materialised.

The table below shows the major purchases and sales for the period.

<b>Purchases</b>	<b>Sales</b>
Vivendi	Total
Entra	Enel
Sanofi	Vinci
TeliaSonera	UniCredit
Unilever	AP Moeller-Maersk series 'B' shares
Statoil	Deutsche Telekom
Deutsche Telekom	Atlantia
MTU Aero Engines	Sanofi
Infineon Technologies	Swisscom
Continental	Ahold

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Euro Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
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
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>P Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	110.77	100.00	n/a
2013	135.17	111.13	2.6289
2014	139.88	118.93	2.7523
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	110.77	100.00	n/a
2013	138.18	111.13	2.6332
2014	142.99	124.08	2.8052
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	107.30	98.19	n/a
2013	130.82	107.64	2.3250
2014	135.11	115.17	2.1814
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	107.30	98.19	n/a
2013	133.48	107.64	2.1697
2014	137.86	119.49	2.2544

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

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2012	154,806,391	140.14	110,466,430
30/06/2013	165,581,648	173.27	95,564,051
30/06/2014	164,407,252	194.79	84,400,630
31/12/2014	151,200,718	191.11	79,115,304
<b>Euro Accumulation Shares</b>			
		<b>Cents</b>	
30/06/2012	1,399,223	89.57	1,937,381
30/06/2013	1,126,989	104.93	1,253,235
30/06/2014	2,560,677	127.12	2,515,555
31/12/2014	2,545,628	128.35 **	2,555,654
**Euro/Sterling exchange rate at close of business 31 December 2014		1.288550	
<b>Exempt Shares 1 (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	1,542,058	135.79	1,135,596
30/06/2013	1,768,497	171.81	1,029,317
30/06/2014	1,357,619	197.56	687,188
31/12/2014	950,837	194.86	487,959
<b>P Shares (Net Income)***</b>			
		<b>Pence</b>	
30/06/2012	15,055	100.37	15,000
30/06/2013	39,465	124.03	31,820
***P Shares (Net Income) share class closed 23 September 2013.			
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	1,243,454	117.71	1,056,361
30/06/2014	5,781,679	132.27	4,371,246
31/12/2014	8,685,985	130.28	6,667,380
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	211,619	120.33	175,869
30/06/2014	1,130,260	138.02	818,930
31/12/2014	1,611,069	135.93	1,185,191
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	2,384,540	114.04	2,090,889
30/06/2014	2,245,936	128.21	1,751,764
31/12/2014	2,170,703	126.08	1,721,751
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	5,818	116.34	5,001
30/06/2014	6,652	133.04	5,000
31/12/2014	6,541	130.82	5,000

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.65	1.65
Euro Accumulation Shares	2.15	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Belgium 2.33% (2.03%)</b>			
Anheuser-Busch InBev	53,700	3,898,673	2.33
<b>Denmark 2.49% (5.13%)</b>			
AP Moller-Maersk series 'B' shares	1,262	1,625,629	0.97
Novo Nordisk	93,613	2,538,558	1.52
<b>Finland 4.44% (3.28%)</b>			
Nokia	1,457,136	7,418,270	4.44
<b>France 11.25% (16.00%)</b>			
Air Liquide	36,976	2,949,930	1.77
Nexans	134,037	2,642,148	1.58
Sanofi	70,488	4,130,103	2.47
Vivendi	416,849	6,691,647	4.00
Worldline	193,082	2,397,510	1.43
<b>Germany 21.95% (16.67%)</b>			
Bayer	93,010	8,189,038	4.90
Brenntag	71,590	2,596,252	1.55
Commerzbank	640,088	5,454,322	3.26
Continental	25,215	3,441,122	2.06
Deutsche Telekom	200,892	2,073,543	1.24
Infineon Technologies	340,356	2,329,440	1.39
LEG Immobilien	116,183	5,589,371	3.35
MTU Aero Engines	80,515	4,490,794	2.69
Wacker Chemie	35,696	2,528,680	1.51
<b>Ireland 1.83% (1.20%)</b>			
CRH	197,773	3,053,583	1.83
<b>Italy 3.24% (11.74%)</b>			
Atlantia	58,720	880,880	0.53
Pirelli	209,541	1,821,318	1.09
UniCredit	197,885	819,306	0.49
Yoox	131,996	1,883,828	1.13
<b>Netherlands 4.19% (7.54%)</b>			
Ahold	186,492	2,135,493	1.28
Wolters Kluwer	247,492	4,868,978	2.91
<b>Norway 5.37% (3.74%)</b>			
DNB	300,092	2,841,627	1.70
Entra	668,028	4,371,406	2.61
Statoil	157,294	1,765,270	1.06
<b>Portugal - 1.18% (2.67%)</b>			
Galp Energia	301,908	1,970,234	1.18
<b>Spain 3.42% (2.56%)</b>			
Inditex	310,873	5,719,021	3.42
<b>Sweden 5.23% (4.76%)</b>			
Ericsson series 'B' shares	363,805	2,810,617	1.68
Skandinaviska Enskilda Banken series 'A' shares	216,376	1,764,703	1.06
TeliaSonera	1,008,688	4,164,939	2.49

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Switzerland 22.49% (21.97%)</b>			
Credit Suisse	105,121	1,700,961	1.02
Nestlé	203,869	9,592,442	5.74
Novartis	166,262	9,904,787	5.92
Roche	57,244	9,968,329	5.96
Zurich Financial Services	32,023	6,442,424	3.85
<b>United Kingdom 4.62% (0.00%)</b>			
Reed Elsevier	305,966	4,707,443	2.82
Unilever	119,093	3,016,259	1.80
<b>Derivatives 0.15% (0.00%)</b>			
Euro Stoxx 50 January 2015 3150 (Put option)	528	256,102	0.15
<b>Portfolio of investments</b>		<b>157,444,980</b>	<b>94.18</b>
<b>Net current assets</b>		<b>9,726,501</b>	<b>5.82</b>
<b>Total Net Assets</b>		<b>167,171,481</b>	<b>100.00</b>
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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		(2,532,979)		24,080,655
Revenue	324,640		848,227	
Expenses	(1,362,666)		(1,488,292)	
Finance costs: Interest	(4,654)		-	
Net expenses before taxation	(1,042,680)		(640,065)	
Taxation	229,892		(77,375)	
Net expenses after taxation		(812,788)		(717,440)
<b>Total return before distributions</b>		<b>(3,345,767)</b>		<b>23,363,215</b>
Finance costs: Distributions		27,584		90
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>(3,318,183)</b>		<b>23,363,305</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		177,490,075		172,362,030
Amounts receivable on issue of shares	3,281,995		2,839,225	
Amounts payable on cancellation of shares	(10,282,406)		(9,448,262)	
		(7,000,411)		(6,609,037)
Change in net assets attributable to Shareholders from investment activities (see above)		(3,318,183)		23,363,305
Unclaimed distributions		-		4,803
<b>Closing net assets attributable to Shareholders</b>		<b>167,171,481</b>		<b>189,121,101</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		157,444,980		176,226,731
Debtors	488,644		7,996,646	
Cash and bank balances	<u>9,764,339</u>		<u>2,623,092</u>	
Total other assets		<u>10,252,983</u>		<u>10,619,738</u>
Total assets		167,697,963		186,846,469
<b>LIABILITIES</b>				
Creditors	(526,482)		(7,237,920)	
Distribution payable on income shares	<u>-</u>		<u>(2,118,474)</u>	
Total other liabilities		<u>(526,482)</u>		<u>(9,356,394)</u>
Total liabilities		(526,482)		(9,356,394)
<b>Net assets attributable to Shareholders</b>		<u><b>167,171,481</b></u>		<u><b>177,490,075</b></u>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		43,201,972		54,105,618
Commissions	22,634		25,130	
Taxes	<u>37,217</u>		<u>57,318</u>	
Total purchase costs		59,851		82,448
<b>Gross purchases total</b>		<b><u>43,261,823</u></b>		<b><u>54,188,066</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		59,508,861		65,285,865
Commissions	(28,721)		(33,385)	
Taxes	<u>(1)</u>		<u>-</u>	
Total sales costs		(28,722)		(33,385)
<b>Total sales net of transaction costs</b>		<b><u>59,480,139</u></b>		<b><u>65,252,480</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON EMERGING INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£218.53m
Comparative Index:	FTSE AW Emerging TR GBP
Sector:	The Investment Association Global Emerging Markets

Yield as at 31 December 2014:

Sterling Income Shares	4.52%
Sterling Accumulation Shares	4.36%
X Shares (Net Income)	4.49%
X Shares (Net Accumulation)	4.32%
Institutional Shares W (Net Income)	4.50%
Institutional Shares W (Net Accumulation)	4.34%
Institutional Shares (Income)	4.53%
Institutional Shares (Accumulation)	4.33%
Retail Advised Shares B (Net Income)	4.50%
Retail Advised Shares B (Net Accumulation)	4.34%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	0.29%	-7.57%	n/a	n/a	n/a
Sterling Accumulation Shares*	0.29%	-7.55%	n/a	n/a	n/a
X Shares (Net Income)*	1.82%	-6.11%	n/a	n/a	n/a
X Shares (Net Accumulation)*	1.83%	-6.09%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	1.11%	-6.80%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	1.11%	-6.79%	n/a	n/a	n/a
Institutional Shares (Income)*	0.85%	-6.99%	n/a	n/a	n/a
Institutional Shares (Accumulation)*	0.86%	-7.03%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	0.79%	-7.10%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	0.80%	-7.08%	n/a	n/a	n/a
FTSE AW Emerging TR GBP	7.87%	-5.29%	12.76%	-18.36%	23.58%

Source: Lipper as at 31 December 2014 - 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 six months in review, the Sterling Income Share Class of the Sub-Fund returned -0.48% compared with a return of +3.54% from the FTSE AW Emerging Index.

Stock selection was the main source of the Fund's underperformance, particularly in financials. Sector positioning boosted relative returns, especially being underweight in oil & gas as the oil price slumped. At the stock level, Kimberly-Clark de Mexico (personal care products), Sands China (Macau casinos), and BHP Billiton (mining) were among the main performance detractors. Kimberly-Clark underperformed as investors focused on adverse macroeconomic conditions and increasing competition – both short-term threats in the fund manager's view. Sands China shares sold off on concerns about the Chinese government's anti-corruption drive and credit problems among junket operators, while BHP Billiton weakened in sympathy with iron-ore prices. Not holding Petrobras of Brazil or Gazprom of Russia was beneficial. The falling oil price hurt both stocks but Petrobras was also affected by a corruption scandal, while Gazprom suffered in relation to Russia's conflict with Ukraine. Of stocks held, Link Real Estate Investment Trust, which has a resilient portfolio of Hong Kong shopping centres, was the best contributor.

In the first half of the period, sales included Biostime, a Chinese producer of infant milk formula, on concerns over a reduced dividend and pressure from lower margin rivals. The Fund also exited Chilean pension-fund manager ILC after it made an acquisition which was not in line with the Fund's investment case. Reductions were made in Komerčni Banka of the Czech Republic and Santander Mexico, after strong performance left valuations appearing stretched; by contrast, Georgian banks TBC and Bank of Georgia looked undervalued and the holdings were increased accordingly. A position was started in Portuguese oil company Galp, which has reserves off Brazil but with less risk of government intervention than peers with similar assets. No further new purchases or disposals were made but adjustments were made to a number of positions. Increased positions included British American Tobacco, which, the fund manager believes, offers consistent long-term growth; Chinese furniture company Man Wah, which is improving margins; Taiwanese bicycle manufacturer Merida, which should benefit from the trend towards healthy pursuits as incomes increase; and Taiwanese chipmaker Mediatek, well placed to gain from low-cost smartphone proliferation. The Fund also added back to Komerčni, following encouraging results and an increased dividend. Reductions in the latter part of the period included PT Telkom of Indonesia and Philippine Long Distance Telephone, on concerns over the competitive environment, and Brazilian brewer AmBev, on concerns over the Brazilian economy.

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

<b>Purchases</b>	<b>Sales</b>
Bank of Georgia	Philippine Long Distance Telecom
Merida Industry	Inversiones La Construccion
Galp Energia	Standard Chartered
Man Wah	MTN
Delta Electronics	Komerčni Banka
MediaTek	Biostime International
PetroChina	Ambev ADR
Komerčni Banka	Grupo Financiero Santander Mexico ADR
TBC Bank GDR	Taiwan Semiconductor Manufacturing
Powszechny Zakład Ubezpieczeń	Telekomunikasi Indonesia

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	107.21	99.39	0.9140
2013	119.32	94.07	4.2874
2014	101.83	86.44	4.1684
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	107.21	99.39	0.9173
2013	120.66	98.18	4.3897
2014	109.75	92.12	4.4543
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	107.60	99.43	0.9065
2013	120.14	95.90	4.3596
2014	104.92	89.43	4.2838
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	107.59	99.43	0.8969
2013	121.84	100.07	4.4641
2014	113.07	94.06	4.5706
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	107.42	99.41	0.9268
2013	119.74	95.02	4.3130
2014	103.45	88.02	4.2207
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 15 October)	107.38	100.50	0.7577
2013	121.25	99.13	4.4133
2014	111.45	93.10	4.5041
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 15 October)	107.32	100.50	0.7563
2013	119.76	94.83	4.4019
2014	103.02	87.59	4.2133
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 15 October)	107.34	100.50	0.7860
2013	121.08	98.85	4.4168
2014	110.93	92.81	4.5001
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 23 October)	105.60	98.92	0.6693
2013	117.90	93.32	4.2491
2014	101.38	86.18	4.1322
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 23 October)	105.62	98.92	0.7005
2013	119.10	97.20	4.3294
2014	109.03	91.25	4.4059

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

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2013	50,781,358	104.75	48,477,499
30/06/2014	33,175,368	92.16	35,997,170
31/12/2014	28,829,071	90.16	31,976,048
<b>Sterling Accumulation Shares</b>			
		<b>Pence</b>	
30/06/2013	115,425,036	107.77	107,101,382
30/06/2014	72,561,860	99.33	73,051,903
31/12/2014	62,462,655	99.18	62,977,232
<b>X Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	12,042,869	105.96	11,365,597
30/06/2014	8,638,733	94.70	9,122,410
31/12/2014	9,914,069	93.34	10,621,361
<b>X Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	40,560,524	109.01	37,209,048
30/06/2014	24,225,246	102.06	23,736,749
31/12/2014	19,109,509	102.67	18,612,268
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	26,736,948	105.38	25,373,131
30/06/2014	44,015,526	93.48	47,083,962
31/12/2014	44,079,654	91.83	48,000,305
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	5,276,629	108.39	4,868,088
30/06/2014	40,314,136	100.71	40,027,993
31/12/2014	53,217,358	100.98	52,699,861
<b>Institutional Shares (Income)</b>			
		<b>Pence</b>	
30/06/2013	622,394	105.31	591,022
30/06/2014	325,179	93.14	349,129
31/12/2014	352,142	91.38	385,363
<b>Institutional Shares (Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	195,369	108.21	180,544
30/06/2014	319,111	100.30	318,172
31/12/2014	283,217	100.43	281,999
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	52,017	103.66	50,178
30/06/2014	64,757	91.67	70,641
31/12/2014	41,108	89.91	45,723
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	70,077	106.44	65,838
30/06/2014	209,246	98.59	212,239
31/12/2014	241,254	98.69	244,450

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.69	1.70
Sterling Accumulation Shares	1.69	1.70
X Shares (Net Income)	0.12	0.13
X Shares (Net Accumulation)	0.12	0.13
Institutional Shares W (Net Income)	0.87	0.88
Institutional Shares W (Net Accumulation)	0.87	0.88
Institutional Shares (Income)	1.12	1.13
Institutional Shares (Accumulation)	1.12	1.13
Retail Advised Shares B (Net Income)	1.19	1.20
Retail Advised Shares B (Net Accumulation)	1.19	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.

**Portfolio Statement**

as at 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 8.52% (1.69%)</b>			
Bank of Georgia	300,000	6,228,000	2.85
British American Tobacco	200,000	7,007,215	3.21
Old Mutual	2,800,000	5,386,242	2.46
<b>United States of America 1.12% (0.00%)</b>			
TBC Bank GDR(representing 1 ordinary share each)	310,000	2,445,407	1.12
<b>Chile 1.69% (3.19%)</b>			
Aguas Andinas	10,000,000	3,684,830	1.69
<b>Brazil 7.36% (8.79%)</b>			
Alupar Investmimento	900,000	3,830,342	1.75
Ambev ADR	1,000,000	3,989,097	1.83
CCR	1,000,000	3,715,499	1.70
Transmissora Alianca de Energia Eletrica	1,000,000	4,543,042	2.08
<b>Mexico 9.78% (10.80%)</b>			
Fibra Shop	5,000,000	4,133,499	1.89
Fibra Uno Administracion	3,000,000	5,666,374	2.59
Grupo Financiero Santander (Sponsored ADR representing 5 ordinary shares each)	400,000	2,652,557	1.22
Kimberly Clark Mexico	6,400,000	8,916,523	4.08
<b>China 3.63% (5.79%)</b>			
China Shenhua Energy	1,500,000	2,834,577	1.29
PetroChina	7,200,000	5,108,938	2.34
<b>Hong Kong 13.63% (13.64%)</b>			
Hui Xian	12,000,000	4,304,521	1.97
Link Real Estate Investment Trust	1,200,000	4,813,199	2.20
Man Wah	3,000,000	3,155,871	1.44
NWS Holdings	3,000,000	3,537,949	1.62
Pico Far East	27,000,000	3,929,952	1.80
Sands China	1,700,000	5,370,604	2.46
Wynn Macau	2,600,000	4,665,991	2.14
<b>Indonesia 0.88% (1.08%)</b>			
Telekomunikasi Indonesia Persero	13,000,000	1,925,296	0.88
<b>Malaysia 8.40% (7.81%)</b>			
Axiata	2,300,000	2,974,193	1.36
IGB Real Estate Investment Trust	17,000,000	4,053,633	1.86
Lafarge Malayan Cement	2,000,000	3,580,403	1.64
Pavilion Real Estate	11,700,000	3,068,838	1.40
Sunway Real Estate	17,000,000	4,677,269	2.14
<b>Philippines 4.73% (6.03%)</b>			
Globe Telecom	200,000	4,934,827	2.26
Philippine Long Distance Telephone	130,000	5,412,539	2.47
<b>Taiwan 12.71% (9.96%)</b>			
Delta Electronics	900,000	3,442,894	1.57
MediaTek	700,000	6,556,010	3.00
Merida Industry	1,100,000	4,777,232	2.19
Taiwan Mobile	1,700,000	3,587,997	1.64
Taiwan Semiconductor Manufacturing	3,300,000	9,409,361	4.31

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Thailand 9.38% (8.30%)</b>			
Bangkok Bank	1,300,000	4,941,588	2.26
Bangkok Expressway	7,000,000	5,321,710	2.43
BTS Rail Mass Transit	10,000,000	1,920,104	0.88
Intouch (non-voting Depository Receipts)	3,400,000	5,202,800	2.38
Tesco Lotus Retail Growth Freehold & Leasehold Property	13,000,000	3,117,002	1.43
<b>South Africa 6.14% (12.86%)</b>			
BHP Billiton	270,000	3,722,228	1.70
Life Healthcare	2,800,000	6,631,132	3.04
MTN	250,000	3,062,330	1.40
<b>Czech Republic 3.03% (3.79%)</b>			
Komerční Banka	50,000	6,623,620	3.03
<b>Luxembourg 1.64% (0.00%)</b>			
Millicom International Cellular	75,000	3,579,138	1.64
<b>Poland 3.08% (2.66%)</b>			
Powszechny Zakład Ubezpieczeń	77,000	6,735,910	3.08
<b>Portugal 0.60% (0.00%)</b>			
Galp Energia	200,000	1,305,188	0.60
<b>Portfolio of investments</b>		<b>210,483,471</b>	<b>96.32</b>
<b>Net current assets</b>		<b>8,046,566</b>	<b>3.68</b>
<b>Total Net Assets</b>		<b>218,530,037</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the period ended 31 December 2014, 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

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital losses		(3,500,504)		(24,638,605)
Revenue	5,248,289		5,473,088	
Expenses	<u>(1,296,927)</u>		<u>(1,491,914)</u>	
Net revenue before taxation	3,951,362		3,981,174	
Taxation	<u>(433,819)</u>		<u>(394,644)</u>	
Net revenue after taxation		<u>3,517,543</u>		<u>3,586,530</u>
<b>Total return before distributions</b>		<b>17,039</b>		<b>(21,052,075)</b>
Finance costs: Distributions		(4,693,331)		(5,078,683)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<u><b>(4,676,292)</b></u>		<u><b>(26,130,758)</b></u>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		223,849,162		251,763,221
Amounts receivable on issue of shares	22,138,909		34,669,358	
Amounts payable on cancellation of shares	<u>(25,642,436)</u>		<u>(36,336,916)</u>	
		(3,503,527)		(1,667,558)
Dilution adjustment		18,991		130,057
Change in net assets attributable to Shareholders from investment activities (see above)		(4,676,292)		(26,130,758)
Retained distributions on accumulation shares		2,841,703		3,215,719
<b>Closing net assets attributable to Shareholders</b>		<u><b>218,530,037</b></u>		<u><b>227,310,681</b></u>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		210,483,471		219,764,558
Debtors	578,786		1,594,619	
Cash and bank balances	8,448,972		4,408,346	
Total other assets		<u>9,027,758</u>		<u>6,002,965</u>
Total assets		219,511,229		225,767,523
<b>LIABILITIES</b>				
Creditors	(525,077)		(652,456)	
Distribution payable on income shares	(456,115)		(1,265,905)	
Total other liabilities		<u>(981,192)</u>		<u>(1,918,361)</u>
Total liabilities		(981,192)		(1,918,361)
<b>Net assets attributable to Shareholders</b>		<u><b>218,530,037</b></u>		<u><b>223,849,162</b></u>

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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 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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		19,439,002		34,903,314
Commissions	28,010		50,402	
Taxes	<u>33,467</u>		<u>27,176</u>	
Total purchase costs		61,477		77,578
<b>Gross purchases total</b>		<b><u>19,500,479</u></b>		<b><u>34,980,892</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		25,422,007		30,758,578
Commissions	(40,991)		(74,216)	
Taxes	<u>(36,035)</u>		<u>(8,637)</u>	
Total sales costs		(77,026)		(82,853)
<b>Total sales net of transaction costs</b>		<b><u>25,344,981</u></b>		<b><u>30,675,725</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON EUROPEAN HIGHER INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£0m
Comparative Index:	FTSE 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

To achieve income together with long-term capital growth predominantly through investments in European securities (excluding UK). The Fund may also invest in collective investment schemes.

### Statutory Performance Data

From	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	n/a	n/a	16.29%	-17.42%	3.11%
Institutional Shares (Income)	n/a	n/a	16.94%	-16.95%	3.71%
Institutional Shares (Accumulation)	n/a	n/a	16.94%	-16.92%	3.67%
X Shares (Net Income)*	n/a	n/a	18.10%	-16.11%	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
Retail Advised Shares B (Net	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
FTSE World Europe ex UK TR GBP	n/a	n/a	17.82%	-14.71%	5.75%

Source: Lipper as at 31 December 2014 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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.

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>X Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	110.11	99.49	0.4911
2013 (to 13 December)	132.32	109.76	4.9985
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	110.37	99.49	0.4916
2013 (to 13 December)	138.74	110.28	5.1137
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 October)	106.26	97.03	0.2224
2013 (to 13 December)	127.44	105.94	4.8031
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 October)	106.26	97.03	0.2224
2013 (to 13 December)	133.20	106.16	4.8359
<b>P Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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**

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Sterling Income Shares*</b>			
30/06/2012	8,878,904	Pence 64.77	13,707,993
30/06/2013	9,369,048	77.97	12,015,757
<b>Institutional Shares (Income)*</b>			
30/06/2012	3,532,466	Pence 66.57	5,306,426
30/06/2013	1,884,773	80.54	2,340,121
<b>Institutional Shares (Accumulation)*</b>			
30/06/2012	53,488	Pence 87.40	61,196
30/06/2013	66,730	110.87	60,188
<b>X Shares (Net Income)**</b>			
30/06/2012	3,125,692	Pence 82.04	3,810,001
30/06/2013	10,889,296	100.25	10,861,738
**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.			
<b>Institutional Shares W (Net Income)*</b>			
30/06/2013	647,289	Pence 115.79	559,007
<b>Institutional Shares W (Net Accumulation)*</b>			
30/06/2013	15,612	Pence 121.06	12,896
<b>Retail Advised Shares B (Net Income)*</b>			
30/06/2013	5,632	Pence 111.62	5,046
<b>Retail Advised Shares B (Net Accumulation)*</b>			
30/06/2013	5,818	Pence 116.35	5,001
<b>P Shares (Net Income)***</b>			
30/06/2013	36,939	Pence 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		-		3,530,546
Revenue	(813)		144,370	
Expenses	<u>(162)</u>		<u>(96,710)</u>	
Net (expenses)/revenue before taxation	(975)		47,660	
Taxation	<u>-</u>		<u>(20,718)</u>	
Net (expenses)/revenue after taxation		<u>(975)</u>		<u>26,942</u>
<b>Total return before distributions</b>		<b>(975)</b>		<b>3,557,488</b>
Finance costs: Distributions		-		(110,348)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>(975)</u></b>		<b><u>3,447,140</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		-		22,921,137
Amounts receivable on issue of shares	-		12,296,177	
Amounts payable on cancellation of shares	<u>-</u>		<u>(38,727,211)</u>	
		-		(26,431,034)
Amounts payable to Shareholders at termination		975		-
Dilution adjustment		-		62,439
Change in net assets attributable to Shareholders from investment activities (see above)		(975)		3,447,140
Retained distributions on accumulation shares		-		318
<b>Closing net assets attributable to Shareholders</b>		<b><u>-</u></b>		<b><u>-</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		-		-
Debtors	14,536		42,696	
Cash and bank balances	62,991		61,517	
Total other assets		<u>77,527</u>		<u>104,213</u>
Total assets		77,527		104,213
<b>LIABILITIES</b>				
Creditors	(77,527)		(104,213)	
Distribution payable on income shares	-		-	
Total other liabilities		<u>(77,527)</u>		<u>(104,213)</u>
Total liabilities		(77,527)		(104,213)
<b>Net assets attributable to Shareholders</b>		<u>-</u>		<u>-</u>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		-		13,301,930
Commissions	-		4,503	
Taxes	-		8,497	
Total purchase costs		-		13,000
<b>Gross purchases total</b>		<b>-</b>		<b>13,314,930</b>
Analysis of total sales proceeds:				
Sales before transaction costs		-		38,885,439
Commissions	-		(9,817)	
Taxes	-		(217)	
Total sales costs		-		(10,034)
<b>Total sales net of transaction costs</b>		<b>-</b>		<b>38,875,405</b>

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL BALANCED FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£468.28m
Comparative Index:	CAPS Pooled Fund Median (Net)
Sector:	The Investment Association Mixed Investment 40-85% Shares
Yield as at 31 December 2014:	
Exempt Shares 1 (Net Accumulation)	2.13%
Exempt Shares 2 (Net Accumulation)	2.05%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Exempt Shares 1 (Net Accumulation)	7.40%	14.74%	6.88%	-4.43%	11.34%
Exempt Shares 2 (Net Accumulation)	7.30%	14.65%	6.80%	-4.50%	11.25%
CAPS Pooled Fund Median (Net)	4.33%	16.08%	10.53%	-5.21%	13.24%

Source: Lipper as at 31 December 2014 - 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 six-month period in review, the Exempt 1 Net Sterling Acc Share Class of the Sub-Fund returned +4.90% compared with +3.09% from the CAPS Pooled Median (Net).

Equity holdings were the principal reason for outperformance: cash holdings had a slightly negative effect, while bond and commodity holdings detracted from relative returns. Within equities, being overweight in healthcare and technology was beneficial, as was being underweight in the oil & gas sector, which weakened as the oil price fell. Stock selection was strongest in consumer services and weakest in telecoms. At the stock level, a top contributor was US financial firm Citigroup, which was propelled higher by encouraging second-quarter results. Medtronic also added to performance as its recent acquisition of Covidien renders it better positioned in the US healthcare market. Dollar General, which operates a chain of discount stores in the US, rose in August when the company joined the battle to take over rival Family Dollar. As the oil price fell, the Fund's zero weighting in BG Group were also beneficial. Positioning within fixed income was detrimental, especially the holding in Norwegian government bonds, where the currency was affected by the falling oil price.

Activity in the period included adding Walgreens, a retail pharmacy chain whose recent merger with AllianceBoots provides opportunities to increase profits via synergies and reinvigoration of the retail offer. New positions were also added in both National Grid and Northeast Utilities. Both companies operate in the regulated utility industry and as such are exposed to relatively stable earnings streams. Northeast Utilities has exposure to the North American electricity and gas transmission and distribution sector, National Grid also has exposure to this area but also to regulated assets in the UK where the regulatory framework has some certainty over the medium term. The fund manager believes the stability of the returns and investment opportunities available to these companies will continue to be attractive as global economic growth remains low. Also purchased was Insurance Australia Group, which is one of two companies dominating the Australian insurance industry. Among disposals, the position in Deutsche Telekom was sold as the valuation increased on continued momentum in T-Mobile USA, a return to growth in Germany, along with a potential sale of EE in the UK.

Early in the period, a position was established in US short-dated Treasury bills with the aim of increasing US dollar exposure as sterling looked vulnerable following strong gains. The weighting in high-yield bonds was reduced, as the manager felt yields offered a less attractive balance of risk and reward than previously.

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

#### Purchases

Treasury 1.75% Bonds 7/9/2022  
 US Treasury 1.375% Notes 30/11/2018  
 Treasury 1.25% Bonds 22/7/2018  
 US Treasury 3.375% Inflation Indexed Bonds 15/4/2032  
 US Treasury 4.375% Notes 15/11/2039  
 Treasury 4% Stock 7/9/2016  
 Reed Elsevier  
 National Grid  
 Walgreen  
 Insurance Australia

#### Sales

US Treasury 4.375% Notes 15/11/2039  
 Treasury 1.25% Bonds 22/7/2018  
 New Zealand Government 6.00% Bonds 15/12/2017  
 Norway (Kingdom of) 3.75% Bond 25/5/2021  
 Deutsche Telekom  
 Reed Elsevier  
 Air Liquide  
 eBay  
 BP  
 Smiths

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	269.63	230.29	6.9568
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
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	182.94	156.31	4.5884
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
<b>X Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	275.63	234.95	8.1062
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.

<b>P Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	460,855,349	260.83	176,691,129
30/06/2013	479,959,593	298.07	161,022,273
30/06/2014	475,691,450	322.04	147,709,807
31/12/2014	449,080,067	337.17	133,192,116
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	18,712,602	176.76	10,586,487
30/06/2013	21,645,347	201.84	10,724,161
30/06/2014	22,550,792	217.90	10,349,309
31/12/2014	19,204,911	228.01	8,422,699
<b>X Shares (Net Accumulation)**</b>		<b>Pence</b>	
30/06/2012	15,225,002	268.24	5,675,834
30/06/2013	17,232,340	307.77	5,599,068

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

<b>P Shares (Net Income)***</b>		<b>Pence</b>	
30/06/2012	14,944	99.63	15,000
30/06/2013	16,627	110.85	15,000

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

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Bonds 4.07% (0.00%)</b>			
Treasury 1.75% Bonds 7/9/2022	£11,936,000.00	12,098,031	2.58
Treasury 4% Stock 7/9/2016	£6,589,464.00	6,978,078	1.49
<b>Overseas Government Bonds 8.37% (8.65%)</b>			
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD 6,435,000	4,009,763	0.86
Australia (Commonwealth) 5.5% Bonds 21/4/2023	AUD 3,450,000	2,192,290	0.47
Norway (Kingdom of) 3.75% Bond 25/5/2021	NOK 46,085,000	4,545,790	0.97
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 3,397,000	2,178,709	0.46
US Treasury 1.375% Notes 30/11/2018	USD 16,603,000	10,624,775	2.27
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD 6,740,000	8,229,347	1.76
US Treasury 4.375% Notes 15/11/2039	USD 8,834,800	7,427,847	1.58
<b>Sterling Denominated Corporate Bonds 2.54% (2.68%)</b>			
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£1,055,000	2,048,255	0.44
Crown Newco 7% Senior Notes 15/2/2018	£202,027	208,593	0.04
FirstGroup 8.75% Guaranteed Bonds 8/4/2021	£644,000	819,065	0.17
Imperial Tobacco Finance 8.125% Guaranteed European Medium Term Bonds 15/3/2024	£685,000	934,639	0.20
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£840,260	1,009,917	0.22
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£403,000	812,371	0.17
Tesco 1.9682% Index Linked Medium Term Notes 24/3/2036	£640,000	807,173	0.17
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£1,855,735	1,842,338	0.39
Thames Water Utilities 3.375% Notes 21/7/2021	£940,000	1,641,842	0.35
Transport for London 3.625% European Medium Term Notes 15/5/2045	£1,660,000	1,820,415	0.39
<b>Non Sterling Denominated Corporate Bonds 0.19% (2.24%)</b>			
Smiths 7.2% Guaranteed Senior Notes 15/5/2019	USD 1,178,000	874,957	0.19
<b>United Kingdom 26.46% (27.11%)</b>			
BAE Systems	838,424	3,953,169	0.84
Barclays	1,431,725	3,486,250	0.74
BHP Billiton	265,885	3,691,813	0.79
BP	1,093,239	4,488,839	0.96
British American Tobacco	164,858	5,770,030	1.23
Bunzl	190,824	3,366,135	0.72
Centrica	2,777,741	7,747,120	1.65
Cobham	1,386,450	4,490,712	0.96
CRH	319,475	4,932,694	1.05
Dixons Carphone	797,254	3,680,124	0.79
GlaxoSmithKline	832,648	11,457,236	2.45
Intermediate Capital	779,965	3,587,059	0.77
John Wood	579,098	3,454,320	0.74
Mitchells & Butlers	621,017	2,369,801	0.51
National Grid	489,244	4,490,771	0.96
Prudential	278,999	4,162,665	0.89
Reed Elsevier	570,355	6,262,498	1.34
Royal Dutch Shell class 'B' shares	650,934	14,532,102	3.10
Smith & Nephew	542,575	6,434,940	1.37
Standard Life	858,901	3,436,463	0.73
Vodafone	5,154,546	11,476,597	2.45
Whitbread	76,831	3,664,839	0.78
Wolseley	81,263	2,995,354	0.64
<b>Commodities 1.01% (1.08%)</b>			
Physical Gold Source P-ETC	62,656	4,736,420	1.01
<b>Canada 0.71% (0.98%)</b>			
Intact Financial	71,174	3,304,507	0.71

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>United States Of America 21.61% (18.06%)</b>			
Abbott Laboratories	214,125	6,182,400	1.32
Accenture	94,788	5,429,223	1.16
Citigroup	249,567	8,662,220	1.85
Dollar General	135,990	6,164,357	1.32
EMC	235,721	4,497,483	0.96
Equifax	91,674	4,755,230	1.02
Express Scripts	75,342	4,090,719	0.87
Intuit	70,618	4,175,260	0.89
Kraft Foods class 'A' shares	119,053	4,783,499	1.02
Medtronic	143,726	6,654,212	1.42
Microsoft	221,692	6,604,197	1.41
Northeast Utilities	115,288	3,955,689	0.84
Pfizer	181,347	3,622,869	0.77
PNC Financial Services	40,403	2,363,935	0.50
Principal Financial	145,285	4,838,640	1.03
Sprint	343,250	913,572	0.20
Sysco	208,052	5,294,535	1.13
TJX	149,197	6,561,128	1.40
Walgreen	99,801	4,867,639	1.04
Walt Disney	113,157	6,833,326	1.46
<b>Australia 0.71% (0.43%)</b>			
Insurance Australia	1,021,017	3,343,819	0.71
<b>Hong Kong 0.99% (0.79%)</b>			
AIA	1,297,600	4,614,452	0.99
<b>Japan 2.95% (3.52%)</b>			
LIXIL	179,100	2,446,807	0.52
Sawai Pharmaceuticals	71,500	2,654,292	0.57
Softbank	85,400	3,293,185	0.70
Sugi	116,800	3,073,910	0.66
Toyota Motor	58,200	2,352,952	0.50
<b>South Africa 0.00% (0.49%)</b>			
<b>Denmark 0.69% (0.81%)</b>			
TDC	653,166	3,215,031	0.69
<b>France 2.91% (4.78%)</b>			
L'Oréal	23,429	2,528,270	0.54
Sanofi	114,369	6,701,222	1.43
Total	133,127	4,392,452	0.94
<b>Germany 3.81% (4.88%)</b>			
Bayer	117,459	10,341,643	2.21
MTU Aero Engines	71,813	4,005,433	0.86
Siemens	47,381	3,454,616	0.74
<b>Italy 0.72% (0.75%)</b>			
Pirelli	390,064	3,390,413	0.72
<b>Netherlands 1.37% (2.29%)</b>			
Wolters Kluwer	325,113	6,396,038	1.37
<b>Norway 1.04% (0.93%)</b>			
DNB	513,139	4,859,009	1.04

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Sweden 2.39% (2.43%)</b>			
Ericsson series 'B' shares	593,584	4,585,801	0.98
Millicom International Cellular SDR	63,331	3,022,272	0.65
TeliaSonera	862,785	3,562,496	0.76
<b>Switzerland 6.37% (5.85%)</b>			
Nestlé	117,514	5,529,268	1.18
Novartis	157,066	9,356,951	2.00
Roche	55,786	9,714,437	2.07
Zurich Financial Services	25,966	5,223,869	1.12
<b>Derivatives 0.06% (0.31%)</b>			
<b>AUD Forward Foreign Currency Contracts 0.06% (0.01%)</b>			
AUD Forward Currency Contract 15/01/15	AUD (14,000,000)	(7,342,875)	(1.57)
AUD Forward Currency Contract 15/01/15	£7,612,245	7,612,245	1.63
<b>Portfolio of investments*</b>		<b>416,654,794</b>	<b>88.97</b>
<b>Net current assets</b>		<b>51,630,184</b>	<b>11.03</b>
<b>Total Net Assets</b>		<b>468,284,978</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in Ireland portfolio category, which, at 30 June 2014, represented 0.64% 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.

SDR = Swedish Depositary Receipt

\*Net of investment liabilities.

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		18,398,970		23,911,396
Revenue	4,852,664		6,092,986	
Expenses	<u>(1,319,481)</u>		<u>(1,426,605)</u>	
Net revenue before taxation	3,533,183		4,666,381	
Taxation	<u>(137,770)</u>		<u>(233,949)</u>	
Net revenue after taxation		<u>3,395,413</u>		<u>4,432,432</u>
<b>Total return before distributions</b>		<b>21,794,383</b>		<b>28,343,828</b>
Finance costs: Distributions		(3,395,413)		(4,432,450)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>18,398,970</u></b>		<b><u>23,911,378</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		498,242,242		518,853,907
Amounts receivable on issue of shares	4,110,510		6,598,563	
Amounts payable on cancellation of shares	<u>(55,753,598)</u>		<u>(28,003,603)</u>	
		(51,643,088)		(21,405,040)
Dilution adjustment		37,491		22,053
Stamp Duty Reserve Tax		(17,334)		(17,195)
Change in net assets attributable to Shareholders from investment activities (see above)		18,398,970		23,911,378
Retained distributions on accumulation shares		3,266,697		4,336,031
<b>Closing net assets attributable to Shareholders</b>		<b><u>468,284,978</u></b>		<b><u>525,701,134</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		416,654,794		446,913,458
Debtors	1,797,513		4,852,183	
Cash and bank balances	<u>50,483,296</u>		<u>46,986,319</u>	
Total other assets		<u>52,280,809</u>		<u>51,838,502</u>
Total assets		468,935,603		498,751,960
<b>LIABILITIES</b>				
Creditors	(650,625)		(509,718)	
Distribution payable on income shares	<u>-</u>		<u>-</u>	
Total other liabilities		<u>(650,625)</u>		<u>(509,718)</u>
Total liabilities		(650,625)		(509,718)
<b>Net assets attributable to Shareholders</b>		<u><b>468,284,978</b></u>		<u><b>498,242,242</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
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.

## Portfolio Transaction Costs

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		83,564,420		51,677,606
Commissions	28,631		39,220	
Taxes	<u>84,780</u>		<u>123,808</u>	
Total purchase costs		113,411		163,028
<b>Gross purchases total</b>		<b><u>83,677,831</u></b>		<b><u>51,840,634</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		130,287,544		76,984,756
Commissions	(55,717)		(55,673)	
Taxes	<u>(549)</u>		<u>(3,201)</u>	
Total sales costs		(56,266)		(58,874)
<b>Total sales net of transaction costs</b>		<b><u>130,231,278</u></b>		<b><u>76,925,882</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL DYNAMIC BOND FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,024.37m
Performance Reference:	(1 month GBP LIBOR) + 2%
Sector:	The Investment Association Targeted Absolute Return

Distribution Yield as at 31 December 2014:

Sterling Income Shares	3.37%
Exempt Shares 2 (Gross Accumulation)	3.44%
Institutional Shares (Income)	3.44%
X Shares (Net Accumulation)	3.44%
X Shares (Net Income)	3.37%
X Shares (Gross Accumulation)	3.36%
P Shares (Net Income)	3.44%
Institutional Shares W (Net Income)	3.44%
Institutional Shares W (Net Accumulation)	3.44%
Retail Advised Shares B (Net Income)	3.44%
Retail Advised Shares B (Net Accumulation)	3.44%
Exempt Shares 2 (Gross Income)	3.44%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	1.71%	1.14%	9.78%	-0.13%	11.34%
Exempt Shares 2 (Gross Accumulation)	3.16%	2.76%	11.78%	1.86%	13.89%
Institutional Shares (Income)	2.23%	1.70%	10.38%	0.43%	11.95%
X Shares (Net Accumulation)	2.92%	2.47%	11.21%	1.19%	12.79%
X Shares (Net Income)*	2.93%	2.46%	11.21%	1.19%	n/a
X Shares (Gross Accumulation)*	3.57%	3.17%	12.23%	n/a	n/a
P Shares (Net Income)*	2.00%	1.45%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	2.34%	1.83%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	2.35%	1.82%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	2.08%	1.55%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	2.07%	1.53%	n/a	n/a	n/a
Exempt Shares 2 (Gross Income)*	3.17%	n/a	n/a	n/a	n/a
(1 month GBP LIBOR) + 2%	2.50%	2.49%	2.63%	2.65%	2.56%

Source: Lipper as at 31 December 2014 – Sterling Income; Institutional Shares (Income); X Shares (Net Accumulation); X Shares (Net Income); P 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund -0.13% against a return of +1.24% from LIBOR GBP 1 Month + 2%.

The Fund's diversified bond positioning helped to protect capital through a period characterised by a sharp rise in financial market volatility. Over the period, core government bonds generated positive returns and yield curves flattened, particularly in the fourth quarter. However, the benefit of holding long-dated conventional US Treasuries was affected by exposure to US Treasury inflation-protected securities (TIPS) and by a short future position on long Gilts. Sterling investment-grade credit 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.) 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. In October, despite a spike in volatility and a period of severe mid-month risk aversion, a cautious exposure to high-yield corporate bonds and bias towards the long-end of the US Treasury curve helped the Fund to protect capital. Investment-grade corporate-bond holdings added notably to returns, aided by the rally in underlying core government bonds and UK Gilts in particular, in the context of the sterling bias of the Fund's credit holdings. In November, the Fund's bias towards high-quality sovereign and corporate debt proved beneficial as the government rally continued. Despite rising risk premiums on emerging-market sovereign indices, the Fund's firm bias towards euro-denominated and European holdings benefited from expectations of European Central Bank support. Currency strategy was a further positive, as a long US dollar net-currency exposure at the expense of short euro and Japanese yen positions proved beneficial as the dollar rallied.

Activity in credit markets was relatively light, although the Fund invested in new issues by GALP, Isolux, Net4Gas and Aurizon. However, exposure to high-yield credit (lower rated bonds) was reduced. Amid softer eurozone economic output, exposure to peripheral European bonds was reduced. Currency strategy was shifted from a small US-dollar overweight to larger overweight position, in order to benefit from the strong US-dollar environment. In October, in light of weak European economic data and a subdued UK inflation backdrop, a short future position on the Long Gilt was closed out. Given the stronger US economic recovery, the cessation of quantitative easing (creating new money for use in the economy) in the US and prospect of rate hikes by the Federal Reserve over the coming 12 months, a short position in 5-year US Treasuries was retained. In November, exposure to 'safe-haven' government bonds was increased with the purchase of additional 2026 and 2043 US Treasury holdings.

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

#### Purchases

US Treasury 2.875% Notes 15/5/2043  
 US Treasury 6% Notes 15/2/2026  
 US Treasury 0% Notes 19/3/2015  
 Poland (Government) 5.75% Bonds 23/9/2022  
 US Treasury 0.00% Notes 2/10/2014  
 Germany (Federal Republic) 2.5% Bonds 4/7/2044  
 US Treasury 1.625% Notes 15/8/2022  
 Treasury of Victoria 5.5% Guranteed Senior Notes 17/11/2026  
 US Treasury 1.25% Notes 30/11/2018  
 Treasury 0% Notes 3/11/2014

#### Sales

Treasury 1% Notes 7/9/2017  
 US Treasury 2.875% Notes 15/5/2043  
 US Treasury 6% Notes 15/2/2026  
 US Treasury 0.00% Notes 2/10/2014  
 Germany (Federal Republic) 2.5% Bonds 4/7/2044  
 US Treasury 1.25% Notes 30/11/2018  
 Treasury 0% Notes 3/11/2014  
 Poland 5.75% Bonds 25/10/2021  
 Poland (Government) 5.75% Bonds 23/9/2022  
 Treasury 1.75% Gilts 22/7/2019

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	112.15	103.17	5.8674
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	2.6955
<b>Exempt Shares 2 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	154.99	134.22	9.9560
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	5.7694
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	115.31	105.65	6.0852
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	2.8905
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2009	134.73	117.65	6.9499
2010	135.71	131.98	5.6539
2011	149.21	134.15	5.1303
2012	154.31	148.56	4.1815
2014	157.70	152.93	3.9449
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010 (from 11 October)	100.34	97.79	1.0419
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	2.5896
<b>X Shares (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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	5.8474
<b>P Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 21 June)	104.84	100.00	1.9058
2013	106.12	102.07	2.8692
2014	104.18	102.01	2.6034
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	103.13	100.00	1.1799
2013	104.52	100.59	2.8271
2014	103.03	101.02	2.5862
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	103.39	100.00	1.1711
2013	106.67	102.94	2.8889
2014	108.17	105.30	2.7191

\*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*
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 October)	102.31	100.00	0.8600
2013	103.66	99.74	2.7461
2014	101.93	99.87	2.4977
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 October)	102.31	100.00	0.8600
2013	105.46	101.76	2.7977
2014	106.54	103.90	2.5923
<b>P Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 October)	102.14	100.00	0.8634
2013 (to 18 December)	105.26	101.55	2.2431

\*\*P Shares (Net Accumulation) share class closed 18 December 2013.

	Pence	Pence	Pence
<b>Exempt Shares 2 (Gross Income)</b>			
2013 (from 11 June)	100.57	98.48	2.3366
2014	101.19	99.21	3.1662

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	292,226,493	106.19	275,189,620
30/06/2013	344,636,186	108.00	319,112,317
30/06/2014	287,144,984	109.17	263,025,078
31/12/2014	270,722,693	107.46	251,923,555
<b>Exempt Shares 2 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	108,591,749	162.91	66,658,502
30/06/2013	113,920,740	174.29	65,364,295
30/06/2014	131,650,532	182.92	71,972,866
31/12/2014	155,351,247	183.99	84,436,054
<b>Institutional Shares (Income)</b>		<b>Pence</b>	
30/06/2012	14,275,484	110.11	12,964,819
30/06/2013	47,816,026	112.55	42,485,320
30/06/2014	33,844,884	114.34	29,600,312
31/12/2014	27,649,257	112.83	24,504,202
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	99,674,512	140.16	71,116,149
30/06/2013	150,351,898	149.29	100,714,330
30/06/2014	104,350,611	156.39	66,722,625
31/12/2014	104,649,480	157.08	66,621,186
<b>X Shares (Net Income)</b>		<b>Pence</b>	
30/06/2012	60,695,564	97.19	62,448,912
30/06/2013	88,813,758	100.09	88,731,239
30/06/2014	44,003,200	102.46	42,948,602
31/12/2014	32,944,509	101.49	32,460,452

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>X Shares (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	43,063,779	163.80	26,289,846
30/06/2013	56,913,385	175.95	32,346,962
30/06/2014	59,970,636	185.40	32,346,961
31/12/2014	60,442,815	186.86	32,346,961
<b>P Shares (Net Income)</b>		<b>Pence</b>	
30/06/2012	14,976	99.84	15,000
30/06/2013	343,077	101.79	337,047
30/06/2014	314,554	103.15	304,945
31/12/2014	291,239	101.67	286,466
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	58,360,566	100.31	58,177,426
30/06/2014	205,999,000	102.04	201,879,496
31/12/2014	274,397,195	100.76	272,320,010
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	15,756,522	103.11	15,280,903
30/06/2014	40,350,466	107.35	37,588,225
31/12/2014	62,733,105	107.49	58,359,350
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	15,987	99.46	16,074
30/06/2014	52,509	100.95	52,016
31/12/2014	57,555	99.57	57,803
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	46,731	101.90	45,861
30/06/2014	159,367	105.78	150,653
31/12/2014	77,067	105.74	72,884
<b>P Shares (Net Accumulation)**</b>		<b>Pence</b>	
30/06/2013	11,095	101.69	10,911
**P Shares (Net Accumulation) share class closed 18 December 2013.			
<b>Exempt Shares 2 (Gross Income)</b>		<b>Pence</b>	
30/06/2013	17,059,909	98.20	17,372,492
30/06/2014	24,906,930	100.12	24,877,822
31/12/2014	35,054,247	98.97	35,417,519

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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)	1.06	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.

**Portfolio Statement**

as at 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Stocks 7.44% (12.93%)</b>			
Treasury 1.25% Index-Linked 22/11/2017	£26,030,000	37,415,586	3.65
Treasury 3.5% War Loan Stock Perpetual	£20,400,000	20,503,530	2.00
Treasury 8.75% Stock 25/8/2017	£15,100,000	18,332,533	1.79
<b>Overseas Government Stocks 31.45% (24.26%)</b>			
Agence Francaise de Development 1.125% Bonds 3/10/2016	USD 14,680,000	9,473,706	0.92
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL 133,000,000	22,403,487	2.19
Canada (Government) 1% Debentures 1/11/2015	CAD 33,740,000	18,688,175	1.82
Fiji Islands (Republic of) 9% Bonds 15/3/2016	USD 3,000,000	2,044,541	0.20
Finland (Government) 0.60525% European Medium Term Notes 25/2/2016	€9,400,000	9,404,151	0.92
Former Yugoslav Republic of Macedonia 3.975% Bonds 24/7/2021	EUR 4,800,000	3,715,056	0.36
Kommunalbanken 0.36235% Bonds 2/5/2019	USD 15,900,000	10,197,024	1.00
Kommunekredit 0.875% European Medium Term Notes 29/7/2016	USD 13,900,000	8,946,833	0.87
Mexican Bonos 4.75% Bonds 14/6/2018	MXN 216,060,000	9,382,080	0.92
Mexican Bonos 6.5% Bonds 9/6/2022	MXN 146,980,000	6,705,188	0.65
Morocco (Government) 3.5% Bond 19/6/2024	EUR 5,220,000	4,146,323	0.40
Morocco (Government) 4.5% Bond 5/10/2020	EUR 1,900,000	1,630,023	0.16
Netherlands (Government) 1% Bond 24/2/2017	USD 14,852,000	9,542,561	0.93
Poland (Government) 5.75% Bonds 23/9/2022	PLN 65,720,000	14,645,064	1.43
Romanian (Government) 4.625% European Medium Term Notes 18/9/2020	EUR 10,200,000	9,128,136	0.89
Singapore (Government) 2.5% Bond 1/6/2019	SGD 27,760,000	14,034,036	1.37
Slovenia (Government) 2.25% Bonds 25/3/2022	EUR 2,950,000	2,371,060	0.23
Socialist Republic of Vietnam 6.75% European Dollar Bonds 29/1/2020	USD 5,904,000	4,255,651	0.42
Treasury of Victoria 5.5% Guranteed Senior Notes 17/11/2026	AUD 40,560,000	26,013,671	2.54
US Treasury 0% Notes 19/3/2015	USD 78,400,000	50,278,472	4.91
US Treasury 0.875% Notes 28/2/2017	USD 32,140,000	20,664,005	2.02
US Treasury 1.625% Notes 15/8/2022	USD 41,300,000	25,742,144	2.51
US Treasury 2.875% Notes 15/5/2043	USD 17,747,000	11,641,400	1.14
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD 22,200,000	27,105,566	2.65
<b>Sterling Denominated Corporate Bonds 19.54% (18.90%)</b>			
AA Bond 4.2487% Senior European Medium Term Notes 31/7/2043	£9,200,000	9,679,782	0.95
Abbey National Treasury Services 0.85775% European Medium Term Notes 20/1/2017	£8,160,000	8,176,509	0.80
Arsenal Securities 5.1418% Guaranteed Bonds 1/9/2029	£5,781,558	6,328,630	0.62
ASB Finance 1.385% Floating Rate European Medium Term Notes 23/10/2015	£7,307,000	7,347,590	0.72
BP Capital Markets 4.325% Guaranteed European Medium Term Notes 10/12/2018	£5,000,000	5,460,691	0.53
Bupa Finance 7.5% Guaranteed Senior European Medium Term Notes 4/7/2016	£6,015,000	6,552,305	0.64
Chorus 6.75% Guaranteed European Medium Term Notes 6/4/2020	£4,416,000	5,100,922	0.50
Close Brothers Finance 3.875% European Medium Term Notes 27/6/2021	£4,550,000	4,857,807	0.47
ENW Capital Finance 6.75% Guaranteed European Medium Term Notes 20/6/2015	£7,366,000	7,547,299	0.74
European Investment Bank 0.63338% European Medium Term Notes 5/1/2016	£3,668,000	3,670,913	0.36
F&C Commercial Property 5.23% Guaranteed Senior Floating Rate Bonds 30/6/2017	£6,828,000	6,972,071	0.68
FirstGroup 6.875% Guaranteed Bonds 18/9/2024	£3,500,000	4,269,692	0.42
GE Capital 6.44% Guaranteed Senior European Medium Term Bonds 15/11/2022	£3,627,133	4,103,754	0.40
Heathrow Funding 3% Guaranteed Senior Floating Rate European Medium Term Notes 8/6/2017	£7,867,000	7,935,207	0.77
HSBC 5.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 4/11/2030	£7,000,000	7,799,777	0.76
Hutchison Ports (UK) Finance 6.75% Guaranteed Bonds 7/12/2015	£6,301,000	6,610,851	0.64
Iron Mountain 6.125% Senior Notes 15/9/2022	£5,003,000	5,126,624	0.50
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£5,140,000	7,093,200	0.69
Lloyds TSB 1.5% European Medium Term Notes 2/5/2017	£7,175,000	7,276,885	0.71
Motability Operations 5.25% Guaranteed European Medium Term Notes 28/9/2016	£7,000,000	7,495,273	0.73
Nationwide Building Society 0.76025% Bonds 17/7/2017	£9,450,000	9,457,088	0.92
Old Mutual 8% Bonds 3/6/2021	£6,650,000	7,528,657	0.73
Pacific Life 5.125% Guaranteed European Medium Term Notes 20/1/2015	£7,000,000	7,011,357	0.68
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£4,000,000	4,874,920	0.48

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Sterling Denominated Corporate Bonds (continued)</b>			
Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055	£5,765,000	6,148,563	0.60
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£5,712,296	5,369,558	0.52
SSE 5.453% Guaranteed Perpetual Subordinated Floating Rate European Medium Term Bonds	£4,099,000	4,162,043	0.41
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£3,158,698	3,135,894	0.31
UBS London 6.625% Guaranteed Senior European Medium Term Notes 11/4/2018	£6,666,000	7,733,955	0.75
Virgin Media Secured Finance 6.25% Guaranteed Senior Notes 28/3/2029	£4,750,000	5,123,112	0.50
Volkswagen Financial Services 1.75% Guaranteed European Medium Term Notes 21/8/2017	£6,119,000	6,202,731	0.61
Yorkshire Building Society 4.125% European Medium Term Notes 20/11/2024	£4,113,000	4,140,557	0.40
<b>Non-Sterling Denominated Corporate Bonds 36.59% (39.55%)</b>			
Aflac 3.625% Bonds 15/11/2024	USD 9,720,000	6,356,017	0.62
Algeco Scotsman 9% European Medium Term Notes 15/10/2018	EUR 5,300,000	4,154,282	0.41
Allied Irish Banks 2.75% European Medium Term Notes 16/4/2019	EUR 3,434,000	2,801,993	0.27
Altice 7.25% Senior Notes 15/5/2022	EUR 3,000,000	2,366,520	0.23
Aquarius + Investments for Swiss Reinsurance Co 8.25% Perpetual European Medium Term Notes	USD 9,200,000	6,490,300	0.63
Ardagh Packaging Finance 4.25% Bonds 15/1/2022	EUR 6,240,000	4,782,119	0.47
Asian Development Bank 0.1695% Guaranteed Medium Term Notes 29/5/2015	USD 16,637,000	10,668,591	1.04
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	EUR 4,500,000	3,479,201	0.34
Barclays Bank/Australia 4.525% Medium Term Notes 17/8/2015	AUD 6,300,000	3,334,967	0.33
Bharti Airtel International Netherlands 5.35% Guaranteed Bonds 20/5/2024	USD 2,287,000	1,586,885	0.16
Boats Investments Netherlands 7.579% European Medium Term Notes 15/12/2015	EUR 2,379,000	9,231	0.00
Boparan Finance 4.375% Senior European Medium Term Notes 15/7/2021	EUR 4,030,000	2,607,592	0.25
BP Capital Markets 2.521% Bonds 15/1/2020	USD 1,500,000	961,013	0.09
Cemex 7.25% 15/1/2021	USD 7,500,000	5,038,480	0.49
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY 5,487,603	352,422	0.03
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY 7,160,000	329,350	0.03
CHS/Community Health Systems 5.125% Bonds 1/8/2021	USD 7,700,000	5,123,457	0.50
Citigroup 5.5% Bonds 13/9/2025	USD 8,700,000	6,173,861	0.60
Cognor International Finance 5% Variable Convertible Bonds 1/2/2021	EUR 566,655	268,255	0.03
Cognor International Finance 7.5% Guaranteed Senior Notes 1/2/2020	EUR 2,266,620	1,301,695	0.13
Co-Operative Bank 2.375% European Medium Term Notes 23/10/2015	EUR 6,930,000	5,216,648	0.51
Council Of Europe Development Bank 1.125% Bonds 31/5/2018	USD 9,715,000	6,172,428	0.60
Coventry Building Society 2.5% Senior Notes 18/11/2020	EUR 5,676,000	4,772,853	0.47
Daimler Finance North America 1.875% Bonds 11/1/2018	USD 10,198,000	6,563,051	0.64
Dana Gas Sukuk 9% Notes 31/10/2017	USD 1,744,490	1,006,921	0.10
Danske Bank 3.875% Subordinated Floating Rate Notes 4/10/2023	EUR 8,180,000	6,812,466	0.67
Dexia Credit Local 2.25% Bonds 30/1/2019	USD 15,740,000	10,222,021	1.00
Dexia Credit Local SA 1% European Medium Term Notes 11/7/2016	EUR 10,500,000	8,250,040	0.81
Drill Rigs 6.5% Bonds 1/10/2017	USD 3,815,000	2,018,519	0.20
Edcon 13.375% Bonds 30/6/2019	EUR 2,300,000	642,583	0.06
Ekspartfinans 5.5% Bonds 25/5/2016	USD 6,360,000	4,261,822	0.42
ERC Ireland Finance 5.349% Guaranteed Subordinated Notes 15/8/2016	EUR 2,150,000	2,086	0.00
Escrow General Motors 7.125% Bonds 31/12/2015	USD 4,000,000	0	0.00
Eurofima 0.3376% European Medium Term Notes 10/6/2016	USD 13,200,000	8,459,220	0.83
European Bank for Reconstruction & Development 4% Guaranteed Medium Term Notes 11/5/2017	NOK 30,050,000	2,734,311	0.27
European Investment Bank 2.125% Notes 4/2/2019	CAD 17,120,000	9,589,631	0.94
First Data 7.375% Bonds 15/6/2019	USD 7,500,000	5,062,530	0.49
First Quantum Minerals 6.75% Bonds 15/2/2020	USD 2,089,000	1,212,471	0.12
First Quantum Minerals 7% Bonds 15/2/2021	USD 2,089,000	1,205,772	0.12
Freeport-McMoRan 2.3% Bonds 14/11/2017	USD 2,660,000	1,707,996	0.17
Genel Energy Finance 7.5% Bonds 14/5/2019	USD 3,600,000	1,923,994	0.19
Grupo Isolux Corsan Finance 6.625% Notes 15/4/2021	EUR 1,266,000	847,406	0.08
Hellas Telecommunications Finance 0% Bonds 15/7/2015	EUR 3,679,267	22,843	0.00
Hellas Telecommunications II Subordinated Floating Rate Notes 15/1/2015	EUR 1,600,000	124	0.00

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Non-Sterling Denominated Corporate Bonds (continued)</b>			
ING Bank 3.625% Subordinated Floating Rate European Medium Term Notes 25/2/2026	EUR 6,184,000	5,169,417	0.50
International Bank for Reconstruction & Development 0.1608% Bonds 14/1/2015	USD 13,310,000	8,536,411	0.83
Kerling 10.625% Senior Notes 28/1/2017	EUR 5,616,000	4,391,075	0.43
KFW 3.375% European Medium Term Notes 18/8/2017	NOK 38,920,000	3,516,184	0.34
KFW 3.75% European Medium Term Notes 14/6/2018	NZD 13,360,000	6,635,749	0.65
Labco SAS 8.5% Senior Notes 15/1/2018	EUR 5,200,000	4,196,966	0.41
Landwirtschaftliche Rentenbank 3.275% Medium Term Notes 27/1/2016	AUD 7,200,000	3,794,031	0.37
LGE HoldCo 7.125% Notes 15/5/2024	EUR 5,730,000	4,893,991	0.48
Lloyds TSB Bank 13% Subordinated Floating Rate Bonds 19/12/2021	AUD 6,068,000	3,672,042	0.36
Marfrig Overseas 9.5% Bonds 4/5/2020	USD 3,800,000	2,461,440	0.24
Millicom International Cellular 6.625% Notes 15/10/2021	USD 5,700,000	3,801,828	0.37
National Wealth Management Holdings 3.37% Medium Term Notes 16/6/2026	AUD 3,720,000	1,912,135	0.19
National Wealth Management Holdings 6.75% Medium Term Notes 16/6/2026	AUD 2,500,000	1,353,762	0.13
Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV 0.37135% European Medium Term Notes 21/10/2019	USD 16,050,000	10,288,881	1.00
NET4GAS 2.5% Senior European Medium Term Notes Bonds 28/7/2021	EUR 7,190,000	5,759,952	0.56
New Red Finance 6% Bonds 1/4/2022	USD 7,851,000	5,160,991	0.50
Nitrogenmuvek Vegyipari 7.875% Bonds 21/5/2020	USD 5,600,000	3,569,024	0.35
Norcell Sweden Holding 3 5.25% Bonds 4/11/2019	SEK 36,000,000	2,971,453	0.29
Nordic Investment Bank 4.125% Medium Term Notes 16/3/2017	NZD 16,501,000	8,307,408	0.81
Numericable-SFR 5.625% Bonds 15/5/2024	EUR 5,697,000	4,575,992	0.45
Orange SA 4% Perpetual European Medium Term Notes	EUR 2,120,000	1,712,351	0.17
Origin Energy 3.5% Bonds 9/10/2018	USD 10,681,000	6,989,330	0.68
Permanent Tsb 4% European Medium Term Notes 10/3/2015	EUR 9,105,000	7,101,526	0.69
Petrobras International 7.875% Bonds 15/3/2019	USD 10,450,000	7,052,921	0.69
Play Finance 2 5.25% Senior Notes 1/2/2019	EUR 3,888,000	3,122,903	0.30
Rabobank Nederland 7.25% Senior Notes 20/4/2018	AUD 7,750,000	4,583,845	0.45
Roche Holdings 0.3446% Bonds 29/9/2017	USD 15,930,000	10,207,552	1.00
Royal Bank of Canada 1.125% Bonds 22/7/2016	USD 15,710,000	10,118,953	0.99
RWE 4.625% Guaranteed Perpetual Subordinated Floating Rate Bonds	EUR 5,190,000	4,070,822	0.40
Sazka 9% Bonds 12/7/2021	EUR 816,838	18,485	0.00
Société Générale 8.75% Perpetual	USD 10,470,000	6,823,882	0.67
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 7,500,000	4,653,680	0.45
Statoil 7.5% Bonds 1/10/2016	USD 5,665,000	4,030,196	0.39
Svensk Exportkredit 2.875% Bonds 14/11/2023	USD 9,027,000	5,716,955	0.56
Telefonica Europe 4.2% Variable Rate Subordinated Perpetual Bonds	EUR 3,800,000	2,985,023	0.29
Telemovil Finance 8% Bonds 1/10/2017	USD 7,051,000	4,657,707	0.45
Tenet Healthcare 6% Bonds 1/10/2020	USD 7,500,000	5,165,127	0.50
Tullow Oil 6% Bonds 1/11/2020	USD 6,033,000	3,211,409	0.31
Unify Germany Holdings 10.75% European Zone 15/11/2015	EUR 2,168,000	1,602,592	0.16
Unity Media 7.5% Bonds 15/3/2019	EUR 5,300,000	4,318,808	0.42
Unitymedia Hessen 4% Senior Notes 15/1/2025	EUR 6,695,000	5,291,157	0.52
Unitymedia Hessen 6.25% Guaranteed Senior Notes 15/1/2029	EUR 3,500,000	3,069,341	0.30
Valeant Pharmaceuticals International 7.5% Bonds 15/7/2021	USD 7,500,000	5,194,805	0.51
Viridian Group Fund 11.125% Guaranteed Notes 1/4/2017	EUR 2,953,000	2,452,144	0.24
Walgreens Boots Alliance 4.8% Bonds 18/11/2044	USD 8,059,000	5,449,528	0.53
Wells Fargo 3.1067% Bonds 25/5/2017	AUD 6,250,000	3,228,258	0.32
<b>Czech Equities 0.00% (0.00%)</b>			
Bestsport Arena	10,388,186	0	0.00
Bestsport Services	1,446,977	0	0.00
<b>Derivatives 0.25% (0.73%)</b>			
<b>Futures 0.00% (0.06%)</b>			
US 5 Year Note Future (CBT) Expires March 2015	USD(1,015)	25,461	0.00

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>AUD Forward Foreign Currency Contracts 0.09% (-0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	AUD (65,821,097)	(34,401,875)	(3.36)
Forward Foreign Currency Contracts 11/03/15	£35,006,548	35,006,548	3.42
Forward Foreign Currency Contracts 11/03/15	AUD (23,716,000)	(12,395,340)	(1.21)
Forward Foreign Currency Contracts 11/03/15	USD 19,744,139	12,669,108	1.24
<b>BRL Forward Foreign Currency Contracts 0.05% (-0.04%)</b>			
Forward Foreign Currency Contracts 11/03/15	BRL (37,699,000)	(8,945,818)	(0.87)
Forward Foreign Currency Contracts 11/03/15	£9,100,543	9,100,543	0.89
Forward Foreign Currency Contracts 11/03/15	BRL (56,463,000)	(13,398,439)	(1.31)
Forward Foreign Currency Contracts 11/03/15	USD 21,343,035	13,695,062	1.34
<b>CAD Forward Foreign Currency Contracts 0.04% (-0.03%)</b>			
Forward Foreign Currency Contracts 11/03/15	CAD (51,263,186)	(28,359,271)	(2.77)
Forward Foreign Currency Contracts 11/03/15	£28,751,309	28,751,308	2.81
<b>EUR Forward Foreign Currency Contracts 0.12% (0.14%)</b>			
Forward Foreign Currency Contracts 11/03/15	EUR 50,597,977	39,310,037	3.84
Forward Foreign Currency Contracts 11/03/15	£(40,060,963)	(40,060,964)	(3.91)
Forward Foreign Currency Contracts 11/03/15	EUR (206,561,261)	(160,479,355)	(15.67)
Forward Foreign Currency Contracts 11/03/15	£162,622,559	162,622,559	15.88
Forward Foreign Currency Contracts 11/03/15	EUR (22,136,762)	(17,198,255)	(1.68)
Forward Foreign Currency Contracts 11/03/15	USD 27,270,830	17,498,716	1.71
Forward Foreign Currency Contracts 11/03/15	EUR (17,481,000)	(13,581,151)	(1.33)
Forward Foreign Currency Contracts 11/03/15	NOK 152,993,198	13,069,757	1.28
<b>JPY Forward Foreign Currency Contracts -0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 11/03/15	JPY 958,331,000	5,131,761	0.50
Forward Foreign Currency Contracts 11/03/15	USD (8,088,308)	(5,189,978)	(0.51)
Forward Foreign Currency Contracts 11/03/15	JPY (4,813,267,000)	(25,774,534)	(2.52)
Forward Foreign Currency Contracts 11/03/15	USD 40,126,444	25,747,704	2.51
<b>MXN Forward Foreign Currency Contracts -0.03% (0.03%)</b>			
Forward Foreign Currency Contracts 11/03/15	MXN (399,649,920)	(17,327,262)	(1.69)
Forward Foreign Currency Contracts 11/03/15	£18,008,661	18,008,661	1.76
Forward Foreign Currency Contracts 11/03/15	MXN 490,721,916	21,275,789	2.08
Forward Foreign Currency Contracts 11/03/15	USD (34,576,653)	(22,186,601)	(2.17)
Forward Foreign Currency Contracts 11/03/15	MXN (226,581,000)	(9,823,669)	(0.96)
Forward Foreign Currency Contracts 11/03/15	USD (15,124,861)	9,705,082	0.95
<b>NOK Forward Foreign Currency Contracts 0.11% (0.04%)</b>			
Forward Foreign Currency Contracts 11/03/15	NOK (68,933,563)	(5,888,790)	(0.57)
Forward Foreign Currency Contracts 11/03/15	£6,202,524	6,202,524	0.61
Forward Foreign Currency Contracts 11/03/15	NOK (148,947,000)	(12,724,102)	(1.24)
Forward Foreign Currency Contracts 11/03/15	USD 20,983,827	13,464,571	1.31
<b>NZD Forward Foreign Currency Contracts -0.03% (-0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	NZD (29,727,003)	(14,815,085)	(1.45)
Forward Foreign Currency Contracts 11/03/15	£14,591,709	14,591,709	1.42
<b>PLN Forward Foreign Currency Contracts 0.07% (0.00%)</b>			
Forward Foreign Currency Contracts 11/03/15	PLN (4,491,050)	(808,970)	(0.08)
Forward Foreign Currency Contracts 11/03/15	£846,079	846,079	0.08
Forward Foreign Currency Contracts 11/03/15	PLN (77,491,000)	(13,958,407)	(1.36)
Forward Foreign Currency Contracts 11/03/15	USD (22,815,579)	14,639,941	1.43

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>SEK Forward Foreign Currency Contracts 0.01% (0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	SEK (36,676,164)	(3,006,971)	(0.29)
Forward Foreign Currency Contracts 11/03/15	£3,122,486	3,122,486	0.30
<b>SGD Forward Foreign Currency Contracts 0.00% (0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	SGD (29,437,000)	(14,237,704)	(1.39)
Forward Foreign Currency Contracts 11/03/15	£14,280,523	14,280,523	1.39
<b>TRY Forward Foreign Currency Contracts 0.00% (0.00%)</b>			
Forward Foreign Currency Contracts 11/03/15	TRY (1,629,523)	(440,833)	(0.04)
Forward Foreign Currency Contracts 11/03/15	£456,778	456,777	0.04
<b>USD Forward Foreign Currency Contracts -0.16% (0.56%)</b>			
Forward Foreign Currency Contracts 11/03/15	USD 53,223,299	34,151,487	3.33
Forward Foreign Currency Contracts 11/03/15	£(34,074,574)	(34,074,574)	(3.32)
Forward Foreign Currency Contracts 11/03/15	USD (655,625,913)	(420,691,694)	(41.07)
Forward Foreign Currency Contracts 11/03/15	£418,925,471	418,925,471	40.90
<b>Portfolio of investments*</b>		<b>975,926,240</b>	<b>95.27</b>
<b>Net current assets</b>		<b>48,444,169</b>	<b>4.73</b>
<b>Total Net Assets</b>		<b>1,024,370,409</b>	<b>100.00</b>
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 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000's) 31/12/2014</b>	<b>Total Net Assets (%) 31/12/2014</b>	<b>Total Net Assets (%) 30/06/2014</b>
AAA	355,505	34.71	31.04
AA	93,329	9.11	5.28
A	108,354	10.56	12.86
BBB	152,501	14.92	15.84
BB	59,915	5.85	7.12
B	69,625	6.79	9.55
CCC	3,815	0.38	0.79
Not Rated (by S&P)	130,352	12.70	13.16
Derivatives	2,530	0.25	0.73
<b>Portfolio of investments</b>	<b>975,926</b>	<b>95.27</b>	<b>96.37</b>
<b>Net current assets</b>	<b>48,444</b>	<b>4.73</b>	<b>3.63</b>
<b>Total Net Assets</b>	<b>1,024,370</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		(9,423,646)		9,173,230
Revenue	17,213,400		13,684,661	
Expenses	<u>(3,536,202)</u>		<u>(3,244,449)</u>	
Net revenue before taxation	13,677,198		10,440,212	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>13,677,198</u>		<u>10,440,212</u>
<b>Total return before distributions</b>		<b>4,253,552</b>		<b>19,613,442</b>
Finance costs: Distributions		(16,842,325)		(13,309,930)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>(12,588,773)</u></b>		<b><u>6,303,512</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		932,747,673		894,045,880
Amounts receivable on issue of shares	144,085,090		202,393,523	
Amounts payable on cancellation of shares	<u>(45,734,552)</u>		<u>(146,572,426)</u>	
		98,350,538		55,821,097
Dilution adjustment		20,587		66,630
Change in net assets attributable to Shareholders from investment activities (see above)		(12,588,773)		6,303,512
Retained distributions on accumulation shares		5,840,384		4,626,846
<b>Closing net assets attributable to Shareholders</b>		<b><u>1,024,370,409</u></b>		<b><u>960,863,965</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		980,292,606		901,125,330
Debtors	11,294,775		33,528,595	
Cash and bank balances	<u>47,880,164</u>		<u>36,580,514</u>	
Total other assets		<u>59,174,939</u>		<u>70,109,109</u>
Total assets		1,039,467,545		971,234,439
<b>LIABILITIES</b>				
Investment liabilities		(4,366,366)		(2,270,124)
Creditors	(6,644,481)		(32,907,359)	
Distribution payable on income shares	<u>(4,086,289)</u>		<u>(3,309,283)</u>	
Total other liabilities		<u>(10,730,770)</u>		<u>(36,216,642)</u>
Total liabilities		(15,097,136)		(38,486,766)
<b>Net assets attributable to Shareholders</b>		<u><b>1,024,370,409</b></u>		<u><b>932,747,673</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Income)</b>						
Group 1	0.8978	0.1796	0.7182	0.0000	0.7182	0.6680
Group 2	0.3659	0.0732	0.2927	0.4255	0.7182	0.6680
<b>X Shares (Net Accumulation)</b>						
Group 1	1.3136	0.2627	1.0509	0.0000	1.0509	0.8938
Group 2	1.0623	0.2125	0.8498	0.2011	1.0509	0.8938
<b>X Shares (Net Income)</b>						
Group 1	0.8545	0.1709	0.6836	0.0000	0.6836	0.5958
Group 2	0.0605	0.0121	0.0484	0.6352	0.6836	0.5958
<b>P Shares (Net Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.8178	0.1636	0.6542	0.0000	0.6542	0.5957
Group 2	0.4035	0.0807	0.3228	0.3314	0.6542	0.5957
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.7893	0.1579	0.6314	0.0000	0.6314	0.5934
Group 2	0.5368	0.1074	0.4294	0.2020	0.6314	0.5934
			<b>Gross Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Exempt Shares 2 (Gross Accumulation)</b>						
Group 1			1.5381	0.0000	1.5381	1.3053
Group 2			1.2595	0.2786	1.5381	1.3053
<b>X Shares (Gross Accumulation)</b>						
Group 1			1.5613	0.0000	1.5613	1.3197
Group 2			1.5613	0.0000	1.5613	1.3197
<b>Exempt Shares 2 (Gross Income)</b>						
Group 1			0.8345	0.0000	0.8345	0.7301
Group 2			0.3587	0.4758	0.8345	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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	1.0368	0.2074	0.8294	0.0000	0.8294	0.6231
Group 2	0.5123	0.1025	0.4098	0.4196	0.8294	0.6231
<b>Institutional Shares (Income)</b>						
Group 1	1.0706	0.2141	0.8565	0.0000	0.8565	0.6658
Group 2	0.5663	0.1133	0.4530	0.4035	0.8565	0.6658
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>P Shares (Net Income)</b>						
Group 1	0.9819	0.1964	0.7855	0.0000	0.7855	0.6019
Group 2	0.9819	0.1964	0.7855	0.0000	0.7855	0.6019
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9476	0.1895	0.7581	0.0000	0.7581	0.5935
Group 2	0.3690	0.0738	0.2952	0.4629	0.7581	0.5935
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	0.9969	0.1994	0.7975	0.0000	0.7975	0.6100
Group 2	0.4160	0.0832	0.3328	0.4647	0.7975	0.6100
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.9331	0.1866	0.7465	0.0000	0.7465	0.5741
Group 2	0.8323	0.1665	0.6658	0.0807	0.7465	0.5741
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.9783	0.1957	0.7826	0.0000	0.7826	0.5881
Group 2	0.3276	0.0655	0.2621	0.5205	0.7826	0.5881
			<b>Gross Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Exempt Shares 2 (Gross Accumulation)</b>						
Group 1			1.6278	0.0000	1.6278	1.2902
Group 2			1.1685	0.4593	1.6278	1.2902
<b>X Shares (Gross Accumulation)</b>						
Group 1			1.6508	0.0000	1.6508	1.3031
Group 2			1.6508	0.0000	1.6508	1.3031
<b>Exempt Shares 2 (Gross Income)</b>						
Group 1			0.8917	0.0000	0.8917	0.7269
Group 2			0.4066	0.4851	0.8917	0.7269

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL EQUITY FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser: Newton Investment Management Limited

Fund Size: £2,291.94

Comparative Index: MSCI AC World NR GBP

Sector: The Investment Association Global

Yield as at 31 December 2014:

Sterling Income Shares	0.47%
Euro Accumulation Shares	0.05%
Exempt Shares 2 (Net Accumulation)	1.07%
Exempt Shares 1 (Net Accumulation)	1.29%
X Shares (Net Accumulation)	1.66%
Exempt Shares 3 (Net Accumulation)	1.10%
Institutional Shares W (Net Income)	1.05%
Institutional Shares W (Net Accumulation)	1.03%
Retail Advised Shares B (Net Income)	0.73%
Retail Advised Shares B (Net Accumulation)	0.72%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	10.06%	23.43%	11.46%	-10.43%	14.27%
Euro Accumulation Shares	9.21%	23.41%	10.51%	-10.56%	13.17%
Exempt Shares 2 (Net Accumulation)	11.08%	24.62%	12.93%	-9.55%	15.37%
Exempt Shares 1 (Net Accumulation)	11.19%	24.75%	12.66%	-9.45%	15.48%
X Shares (Net Accumulation)	11.75%	25.38%	13.23%	-9.01%	16.06%
Exempt Shares 3 (Net Accumulation)	10.91%	24.44%	12.39%	-9.69%	15.20%
Institutional Shares W (Net Income)*	10.92%	24.45%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	10.92%	24.46%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	10.55%	24.05%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	10.55%	24.05%	n/a	n/a	n/a
MSCI AC World NR GBP	10.64%	20.52%	11.03%	-6.66%	16.21%

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Income Share Class of the Fund returned +7.85% against a return of +7.57% from the MSCI AC World Index.

The Fund delivered a positive return, outperforming its comparative index. Asset allocation boosted the Fund's relative returns, especially in the healthcare, materials and energy sectors. Stock selection meanwhile was a source of underperformance, particularly in the healthcare, telecoms and energy sectors. The largest individual contribution to the Fund's outperformance came from US tobacco firm Altria. The company continued to benefit from its healthy growth in revenues and profit margins, while its share price was pushed higher during the quarter by merger rumours surrounding brewer SABMiller, of which Altria owns a stake, and its potential purchase of Heineken. Microsoft was another top contributor to the Fund, as the company reported strong revenues from its cloud-computing business. Elsewhere, TJX, the US-listed parent of retailer TK Maxx, also contributed robust relative returns. The three biggest individual detractors from the Fund's returns were all from the energy sector, as the oil price continued to slide during the period: Canada's Suncor Energy; US holding Marathon Oil; and French oil firm Total.

The Fund established a new position in US pay-TV provider Discovery Communications, to take advantage of the growth opportunity in pay TV outside the US, while affiliate fees in the US are still growing. Another addition was Yum! Brands, which owns KFC, Pizza Hut and Taco Bell. Other significant purchases included global healthcare company Abbott Laboratories; Norwegian bank DNB; US pharmacy chain Walgreens; Trimble Navigation, which sells GPS based solutions which maximise productivity; financial-services group Prudential; and Indian tobacco holding ITC. Notable sales included US transportation company CSX, which retains a dominant position in the railway industry. However, the manager believed the likely decline in coal volumes would not be offset by growth in other areas. The Fund sold German dialysis company Fresenius Medical Care as, despite its cost-savings programme, its net income looks likely to slow. Other disposals included Chinese shoe retailer Belle, on concerns about increased competition, and Lawson, because the manager was not optimistic about the increasingly competitive Japanese food-supermarket space. The Fund also sold RenaissanceRe Holdings, as reinsurance-market conditions are challenged because of an influx of excess capacity.

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

#### Purchases

Discovery Communications class 'A' shares  
 DNB  
 Yum! Brands  
 Walgreen  
 Vivendi  
 Prudential  
 Google class 'A' shares  
 Abbott Laboratories  
 Continental  
 ITC

#### Sales

Total  
 Baker Hughes  
 CSX  
 Lawson  
 Fresenius Medical Care  
 Renaissance  
 Toyota Motor  
 International  
 Actelion  
 Alibaba

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	80.78	67.29	0.7011
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
<b>Euro Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2010	87.50	69.21	0.3936
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	0.0000
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	167.58	137.94	2.7947
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
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	122.13	100.44	2.1358
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	123.92	101.46	2.6745
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
<b>Exempt Shares 3 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	121.54	100.18	1.8772
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
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	103.25	98.17	n/a
2013	126.50	101.55	1.4255
2014	137.38	118.75	1.5811

\*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*
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	103.25	98.17	n/a
2013	127.91	101.56	1.4261
2014	140.78	120.19	1.5974
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 8 October)	99.86	95.05	n/a
2013	122.43	98.29	0.9554
2014	133.03	114.95	1.1309
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 8 October)	99.86	95.05	n/a
2013	123.44	98.29	0.9543
2014	135.39	115.91	1.1406

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	449,230,304	74.64	601,861,316
30/06/2013	527,970,182	92.90	568,342,561
30/06/2014	543,559,561	98.47	551,985,891
31/12/2014	583,403,153	105.80	551,405,123
<b>Euro Accumulation Shares</b>		<b>Cents</b>	
30/06/2012	12,793,047	83.66	18,963,660
30/06/2013	12,642,725	98.00	15,053,503
30/06/2014	6,699,589	111.13	7,528,211
31/12/2014	1,570,329	122.84 ***	1,647,180
***Euro/Sterling exchange rate at close of business 31 December 2014:	1.288550		
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	18,709,298	159.45	11,733,694
30/06/2013	79,347	202.09	39,263
30/06/2014	2,751,568	217.25	1,266,547
31/12/2014	3,028,675	234.45	1,291,802
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	134,784,381	116.39	115,805,542
30/06/2013	106,995,209	147.18	72,697,866
30/06/2014	248,085,338	158.38	156,642,438
31/12/2014	165,845,728	171.01	96,981,829
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	475,757,656	118.97	399,888,301
30/06/2013	617,399,199	151.20	408,337,162
30/06/2014	1,113,564,454	163.52	681,002,938
31/12/2014	1,472,126,653	177.00	831,701,529

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Exempt Shares 3 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	15,130,942	115.39	13,113,288
30/06/2013	19,458,270	145.55	13,369,182
30/06/2014	39,904,933	156.23	25,543,170
31/12/2014	42,751,008	168.47	25,376,055
<b>P Shares (Net Income)**</b>		<b>Pence</b>	
30/06/2012	15,025	100.17	15,000
30/06/2013	26,827	124.72	21,510
**P Shares (Net Income) share class closed 23 September 2013.			
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	446,298	118.42	376,862
30/06/2014	5,275,592	125.54	4,202,292
31/12/2014	10,760,924	135.39	7,948,260
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	483,995	119.86	403,808
30/06/2014	6,897,646	128.65	5,361,367
31/12/2014	10,932,317	138.75	7,879,325
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	1,400,729	114.86	1,219,519
30/06/2014	1,445,281	121.77	1,186,936
31/12/2014	1,511,634	131.10	1,153,071
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	5,791	115.80	5,001
30/06/2014	6,196	123.92	5,000
31/12/2014	6,671	133.42	5,000

**Ongoing Charges**

Share Class	31/12/2014 %	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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 8.96% (7.24%)</b>			
Associated British Foods	789,586	24,895,647	1.09
British American Tobacco	1,308,166	45,785,810	2.00
Centrica	9,834,807	27,429,277	1.20
GlaxoSmithKline	1,766,144	24,302,141	1.06
Prudential	1,549,418	23,117,317	1.01
Reed Elsevier	1,928,379	29,669,096	1.29
Vodafone	13,540,348	30,147,585	1.31
<b>Canada 2.33% (3.02%)</b>			
Intact Financial	549,049	25,491,561	1.11
Suncor Energy	1,373,773	28,053,570	1.22
<b>United States of America 50.23% (45.19%)</b>			
Abbott Laboratories	634,560	18,321,559	0.80
Accenture	730,748	41,855,446	1.83
Align Technology	486,330	17,438,326	0.76
Altria	1,701,130	53,742,289	2.34
Apple	896,990	63,498,320	2.77
Citigroup	1,655,705	57,467,856	2.51
Discovery Communications class 'A' shares	1,252,170	27,641,296	1.21
Dollar General	847,140	38,400,420	1.67
Dun & Bradstreet	272,900	21,170,424	0.92
Eastman Chemical	317,464	15,439,022	0.67
eBay	680,336	24,482,061	1.07
EMC	1,224,949	23,371,642	1.02
Equifax	477,413	24,763,934	1.08
Express Scripts	962,170	52,241,342	2.28
Google	71,888	24,268,799	1.06
Google class 'A' shares	116,120	39,513,940	1.72
Intuit	453,206	26,795,614	1.17
Kraft Foods class 'A' shares	802,746	32,253,992	1.41
Marathon Oil	1,051,458	19,070,215	0.83
Mattel	942,824	18,708,337	0.82
Medtronic	899,214	41,631,720	1.82
Microsoft	2,597,213	77,370,879	3.38
Nielsen	1,078,613	30,921,277	1.35
Pfizer	2,251,689	44,983,237	1.96
PNC Financial Services	675,909	39,546,691	1.73
Principal Financial	1,190,354	39,644,113	1.73
Sprint	2,158,254	5,744,271	0.25
TJX	950,018	41,778,249	1.82
Trimble Navigation	867,775	14,770,401	0.64
United Technologies	545,944	40,265,230	1.76
Walgreen	695,956	33,944,174	1.48
Walt Disney	691,389	41,751,604	1.82
Willis	1,053,598	30,278,484	1.32
Yum! Brands	603,353	28,185,495	1.23
<b>Brazil 0.21% (0.74%)</b>			
International Meal	1,677,386	4,811,841	0.21
<b>Australia 0.02% (0.92%)</b>			
Santos	93,927	405,710	0.02

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>China 0.35% (0.45%)</b>			
Sun Art	12,442,500	7,913,067	0.35
<b>Hong Kong 2.50% (2.00%)</b>			
AIA	9,758,800	34,703,695	1.51
Jardine Matheson	583,600	22,662,806	0.99
<b>India 1.07% (0.38%)</b>			
Apollo Hospitals Enterprise	778,672	8,931,997	0.39
ITC	4,163,466	15,588,079	0.68
<b>Japan 7.89% (9.30%)</b>			
Don Quijote	719,300	32,089,234	1.40
Japan Tobacco	1,752,700	31,149,840	1.36
Sawai Pharmaceuticals	703,000	26,097,448	1.14
Softbank	849,100	32,742,898	1.43
Sugi	687,700	18,098,699	0.79
Toyota Motor	1,001,600	40,493,419	1.77
<b>Belgium 1.40% (1.38%)</b>			
Anheuser-Busch InBev	440,685	31,994,165	1.40
<b>France 3.25% (5.26%)</b>			
Air Liquide	390,434	31,148,667	1.36
L'Oréal	183,403	19,791,383	0.86
Total	13,205	435,692	0.02
Vivendi	1,440,759	23,128,400	1.01
<b>Germany 6.51% (6.33%)</b>			
Bayer	594,348	52,329,192	2.28
Brenntag	671,136	24,339,129	1.06
Continental	285,608	38,977,274	1.70
Rocket Internet	81,499	3,280,073	0.14
SAP	673,308	30,468,813	1.33
<b>Israel 0.90% (0.80%)</b>			
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	561,764	20,716,004	0.90
<b>Netherlands 2.58% (4.53%)</b>			
Royal Dutch Shell	1,686,218	36,176,708	1.58
Wolters Kluwer	1,159,663	22,814,370	1.00
<b>Norway 1.03% (0.00%)</b>			
DNB	2,483,356	23,515,361	1.03
<b>Sweden 1.12% (1.24%)</b>			
TeliaSonera	6,229,102	25,720,374	1.12
<b>Switzerland 6.88% (8.07%)</b>			
Actelion	184,810	13,741,319	0.60
Nestlé	794,554	37,385,347	1.63
Novartis	833,640	49,662,744	2.17
Roche	326,940	56,932,528	2.48

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Derivatives 0.03% (0.00%)</b>			
<b>EUR Forward Foreign Currency Contracts 0.03% (0.00%)</b>			
Forward Foreign Currency Contracts 15/01/2015	EUR (19,024,000)	(14,766,557)	(0.64)
Forward Foreign Currency Contracts 15/01/2015	USD 24,100,657	15,457,810	0.67
<b>Portfolio of investments</b>		<b>2,229,090,192</b>	<b>97.26</b>
<b>Net current assets</b>		<b>62,846,900</b>	<b>2.74</b>
<b>Total Net Assets</b>		<b>2,291,937,092</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Singapore portfolio category, which, at 30 June 2014, represented 0.94% of the Total Net Assets of the Fund.

ADR = American Depositary Receipt

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		157,189,183		60,787,957
Revenue	19,133,660		13,027,453	
Expenses	<u>(5,670,449)</u>		<u>(5,161,432)</u>	
Net revenue before taxation	13,463,211		7,866,021	
Taxation	<u>(1,707,803)</u>		<u>(1,200,581)</u>	
Net revenue after taxation		<u>11,755,408</u>		<u>6,665,440</u>
<b>Total return before distributions</b>		<b>168,944,591</b>		<b>67,453,397</b>
Finance costs: Distributions		206,816		(227,996)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>169,151,407</u></b>		<b><u>67,225,401</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		1,968,190,158		1,286,908,572
Amounts receivable on issue of shares	304,081,458		361,015,374	
Amounts payable on cancellation of shares	<u>(149,514,517)</u>		<u>(83,951,579)</u>	
		154,566,941		277,063,795
Dilution adjustment		41,721		690,427
Stamp Duty Reserve Tax		(13,135)		(13,164)
Change in net assets attributable to Shareholders from investment activities (see above)		169,151,407		67,225,401
Unclaimed distributions		-		1,192
<b>Closing net assets attributable to Shareholders</b>		<b><u>2,291,937,092</u></b>		<b><u>1,631,876,223</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		2,229,090,192		1,924,723,030
Debtors	13,174,940		15,209,491	
Cash and bank balances	<u>60,677,651</u>		<u>43,921,829</u>	
Total other assets		<u>73,852,591</u>		<u>59,131,320</u>
Total assets		2,302,942,783		1,983,854,350
<b>LIABILITIES</b>				
Creditors	(11,005,691)		(13,219,619)	
Distribution payable on income shares	<u>-</u>		<u>(2,444,573)</u>	
Total other liabilities		<u>(11,005,691)</u>		<u>(15,664,192)</u>
Total liabilities		(11,005,691)		(15,664,192)
<b>Net assets attributable to Shareholders</b>		<u><b>2,291,937,092</b></u>		<u><b>1,968,190,158</b></u>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		576,617,558		490,524,434
Commissions	215,833		150,665	
Taxes	<u>230,364</u>		<u>324,153</u>	
Total purchase costs		446,197		474,818
<b>Gross purchases total</b>		<b><u>577,063,755</u></b>		<b><u>490,999,252</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		429,160,826		196,791,074
Commissions	(289,086)		(159,067)	
Taxes	<u>(25,800)</u>		<u>(1,967)</u>	
Total sales costs		(314,886)		(161,034)
<b>Total sales net of transaction costs</b>		<b><u>428,845,940</u></b>		<b><u>196,630,040</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL HIGH YIELD BOND FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£199.56m
Comparative Index:	BofA Merrill Lynch Glo HY ex Bnk Cap & Jr Sub (GBP Hedged)
Sector:	The Investment Association £ High Yield

Distribution Yield as at 31 December 2014:

Sterling Income Shares	7.23%
X Shares (Net Accumulation)	7.32%
X Shares (Net Income)	7.32%
Institutional Shares W (Net Income)	7.32%
Institutional Shares W (Net Accumulation)	7.32%
Retail Advised Shares B (Net Income)	7.23%
Retail Advised Shares B (Net Accumulation)	7.25%
P Shares (Net Accumulation)	7.30%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	-1.63%	5.29%	21.79%	-8.67%	15.40%
X Shares (Net Accumulation)	-0.69%	6.41%	23.12%	-7.71%	16.66%
X Shares (Net Income)*	-0.68%	6.41%	23.09%	n/a	n/a
Institutional Shares W (Net Income)*	-1.15%	5.88%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	-1.16%	5.89%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	-1.43%	5.56%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	-1.43%	5.56%	n/a	n/a	n/a
P Shares (Net Accumulation)*	-1.59%	5.36%	n/a	n/a	n/a
BofA Merrill Lynch Glo HY ex Bnk Cap & Jr Sub TR (GBP Hedged)	2.26%	6.94%	17.46%	3.44%	14.24%
IMA £ High Yield**	1.14%	6.58%	18.18%	-4.18%	10.62%

Source: Lipper as at 31 December 2014. Total return, including revenue net of UK tax and annual charges, but excluding initial charge. 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 2 January 2015, the IMA will be known as The Investment Association.

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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned -5.34% against a return of -3.27% from the Bank of America Merrill Lynch Global High Yield excluding Bank Capital & Junior Subordinated GBP (Hedged) Index.

The Fund's underperformance can largely be attributed to exposure to the retail sector and the weakness of individual securities rated 'B' by ratings agencies (a large component of the portfolio). Such weakness is customary during periods when investors are more averse in their attitudes towards risk, such as in the final three months of the review period. There were other factors that contributed to the overall weakness of the market. These included the lower price for oil, concerns regarding the eurozone, such as the threat of deflation (the opposite of inflation, when the price of goods and services in an economy falls) as well as lingering geopolitical threats, namely the situation in Ukraine.

The Fund participated in a number of primary issues across a range of countries and sectors during the six months under review. Purchases were mainly in companies with a strong asset base – underlying assets that give value to a company – and good cash flows (Activity was greater in the first three months given the later fluctuations of the market.) These included Orange hybrids (French telecommunications), Burger King (US food), Atradius (UK financials), Iron Mountain (US industrials), Pizza Express (UK food) and Helios Towers (Nigerian telecommunications towers). Elsewhere, the Fund's purchases in the secondary market were driven by attractive valuations. New positions included Drill Rigs (oil and gas), Oi (Brazilian telecommunications), Galapagos (industrial equipment) and FMG (Australian mining). Meanwhile, notable sales included disposals of credit positions, mainly as a result of expensive valuations. Disposals included Quiksilver (surfing apparel), Turk Telecom and Origin Energy (Australian utility and energy). Among emerging-market sovereigns, the Fund sold Macedonia, Gabon and Ecuador as they had become expensive on valuation grounds.

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

Purchases	Sales
US Treasury 2.875% Notes 15/5/2043	ZIGGO Bond 8% 15/05/2018
LGE HoldCo 7.125% Notes 15/5/2024	US Treasury 2.875% Notes 15/5/2043
Unitymedia NRW GmbH 6.25% Guaranteed Senior Notes 15/1/2029	Catalent 9.75% 15/4/2017
Twinkle Pizza 8.625% Bonds 1/8/2022	Nara Cable 8.875% 01/12/2018
Origin Energy 4% 16/9/2074	Sunrise Communications International 7% 31/12/2017
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	Toys R Us 8.5% 1/12/2017
Galapagos 5.375% 15/6/2021	Boparan Finance 9.875% 30/4/2018
Play Finance 2 5.25% Senior Notes 1/2/2019	Country Garden 11.125% 2/2018
New Red Finance 6% Bonds 1/4/2022	Caesars Entertainment 8% 1/10/2020
Telenet Finance 6.75% Bonds 15/8/2024	Aguila 3 7.875% 31/1/2018

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	69.00	63.73	4.6256
2011	69.22	55.83	4.2829
2012	66.77	58.34	3.9294
2013	68.14	64.78	3.5808
2014	67.61	60.87	3.4365
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	87.31	75.47	5.7323
2011	90.59	75.78	5.7367
2012	99.00	80.88	5.6873
2013	105.73	99.16	5.5554
2014	110.22	102.58	5.6980
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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	92.10	83.33	4.7443
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	105.23	100.00	1.9385
2013	107.57	102.34	5.7156
2014	107.33	96.85	5.5331
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 September)	106.67	100.00	1.9525
2013	113.37	106.83	5.9714
2014	117.89	109.48	6.1018
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	102.63	99.47	1.3457
2013	104.82	99.70	5.5106
2014	104.30	94.01	5.3223
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 October)	103.47	99.47	1.3518
2013	109.64	103.48	5.7240
2014	113.83	105.59	5.8224
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 21 September)	103.17	99.39	1.5771
2013 (to 23 September)	105.28	100.10	3.9539
<b>P Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 15 October)	103.37	100.00	1.2069
2013	109.34	103.29	5.7733
2014	113.41	105.11	5.4924

\*\*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**

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2012	51,020,854	61.16	83,415,987
30/06/2013	80,864,079	64.75	124,895,340
30/06/2014	76,920,167	66.89	114,997,969
31/12/2014	54,481,618	61.32	88,842,622
<b>X Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	27,032,076	87.97	30,730,287
30/06/2013	36,466,566	99.67	36,586,909
30/06/2014	97,358,217	109.51	88,901,193
31/12/2014	69,208,374	103.84	66,649,947
<b>X Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2012	13,351,499	81.69	16,343,831
30/06/2013	36,110,415	87.34	41,343,205
30/06/2014	92,510,679	91.14	101,500,233
31/12/2014	50,835,591	83.99	60,526,508
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	1,664,345	102.29	1,627,155
30/06/2014	15,600,076	106.20	14,689,120
31/12/2014	19,566,345	97.59	20,048,802
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	543,161	107.12	507,046
30/06/2014	3,597,508	117.12	3,071,607
31/12/2014	5,143,345	110.76	4,643,772
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	35,070	99.64	35,197
30/06/2014	196,691	103.20	190,597
31/12/2014	203,155	94.72	214,478
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	5,195	103.74	5,008
30/06/2014	113,061	113.08	99,980
31/12/2014	106,998	106.77	100,211
<b>P Shares (Net Income)**</b>			
		<b>Pence</b>	
30/06/2013	119,640	100.03	119,600
<b>P Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	64,108	103.56	61,904
30/06/2014	69,736	112.65	61,903
31/12/2014	10,589	105.89	10,000

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

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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)	0.58	0.57
Institutional Shares W (Net Accumulation)	0.58	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)	1.07	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Overseas Government Bonds 2.22% (1.90%)</b>			
US Treasury 2.875% Notes 15/5/2043	USD 4,426,400	2,903,561	1.45
Venezuela (Government ) 5.75% Bond 26/2/2016	USD 3,840,000	1,533,045	0.77
<b>Sterling Denominated Corporate Bonds 16.95% (14.84%)</b>			
AA Bond 9.5% 31/7/2043	£1,880,000	2,065,650	1.04
Arqiva Broadcast Finance 9.5% Guaranteed Senior European Medium Term Notes 31/3/2021	£1,800,000	1,973,250	0.99
Boparan Finance 5.25% Bonds 15/7/2019	£1,000,000	862,162	0.43
Crown Newco 7% Senior Notes 15/2/2018	£2,197,808	2,269,237	1.14
Crown Newco 8.875% European Medium Term Notes 15/2/2019	£1,450,000	1,507,130	0.76
Debenhams 5.25% Senior Bonds 15/7/2021	£1,351,000	1,302,945	0.65
Enterprise Inns 6.5% Guaranteed Senior Bonds 6/12/2018	£746,000	766,021	0.38
Gala Group Finance 8.875% Guaranteed Senior Notes 1/9/2018	£1,997,100	2,084,593	1.04
House of Fraser Funding 8.875% Bonds 15/8/2018	£4,695,000	4,932,285	2.47
Iron Mountain 6.125% Senior Notes 15/9/2022	£1,247,000	1,277,813	0.64
Jerrold Finco 9.75% Notes 15/9/2018	£1,255,000	1,399,325	0.70
Lynx II Corp 7% Guaranteed Senior Bonds 15/4/2023	£1,400,000	1,520,316	0.76
Moto Finance 10.25% Bonds 15/3/2017	£1,306,000	1,364,835	0.68
Moy Park Bondco 6.25% Bonds 29/5/2021	£2,300,000	2,210,990	1.11
Odeon & Uci Finco 9% Senior European Medium Term Notes 1/8/2018	£250,000	233,255	0.12
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£700,000	658,000	0.33
Stretford 79 6.75% Bonds 15/7/2024	£300,000	231,750	0.12
Telecom Italia 6.375% Guaranteed Senior European Medium Term Notes 24/6/2019	£2,150,000	2,359,731	1.18
Twinkle Pizza 8.625% Bonds 1/8/2022	£2,000,000	2,038,080	1.02
Virgin Media Secured Finance 6% Senior Notes 15/4/2021	£1,600,000	1,684,400	0.84
Virgin Media Secured Finance 6.25% Guaranteed Senior Notes 28/3/2029	£1,020,000	1,100,121	0.55
<b>Non-Sterling Denominated Corporate Bonds 79.96% (77.96%)</b>			
3AB Optique Development 5.625% 15/4/2019	EUR 1,408,000	961,510	0.48
Abengoa Finance SAU 8.875% Notes 1/11/2017	USD 2,300,000	1,401,315	0.70
Adria Bidco 7.875% Bonds 15/11/2020	EUR 2,992,000	2,464,212	1.23
Aeropuertos Dominicanos Siglo XXI 9.75% Bonds 13/11/2019	USD 1,665,000	1,030,447	0.52
Afren Plc 11.5% 1/2/2016	USD 3,200,000	1,703,383	0.85
African Minerals 8.5% Bonds 10/2/2017	USD 1,600,000	51,307	0.03
AG Spring Finance 7.5% 01/6/2018	EUR 2,700,000	1,948,702	0.98
Agrokor 9.125% Bonds 1/2/2020	EUR 1,250,000	1,052,540	0.53
Agrokor dd 8.875% Bonds 1/2/2020	USD 3,100,000	2,145,198	1.07
AK Steel 7.625% Bonds 15/5/2020	USD 2,009,000	1,198,249	0.60
Algeco Scotsman 9% European Medium Term Notes 15/10/2018	EUR 2,300,000	1,802,802	0.90
Algeco Scotsman Global Finance 8.5% Bonds 15/10/2018	USD 1,500,000	928,331	0.47
Altice 7.25% Senior Notes 15/5/2022	EUR 4,090,000	3,226,356	1.62
Altice Financing 7.875% Bonds 15/12/2019	USD 1,000,000	656,659	0.33
Altice Financing 8% Bonds 15/12/2019	EUR 1,200,000	988,395	0.49
Ardagh Packaging Finance 4.25% Bonds 15/1/2022	EUR 2,710,000	2,076,850	1.04
Atradius Finance 5.25% Floating Rate Guaranteed Subordinate Bonds 23/9/2044	EUR 2,475,000	1,913,561	0.96
Banglalink Digital Communications 8.625% Senior Bonds 6/5/2019	USD 2,200,000	1,400,353	0.70
Boats Investments Netherlands 7.579% European Medium Term Notes 15/12/2015	EUR 720,000	2,794	0.00
Boparan Finance 4.375% Senior European Medium Term Notes 15/7/2021	EUR 3,403,000	2,201,895	1.10
Brightstar 7.25% Notes 1/8/2018	USD 2,002,000	1,370,617	0.69
Bulgarian Telecommunications Co EAD 6.625% Senior Notes 15/11/2018	EUR 2,440,000	1,884,133	0.94
Bumi Investment 10.75% 6/10/2017	USD 2,200,000	313,933	0.16
Cemex SAB de 7.25% Bonds 15/1/2021	USD 3,600,000	2,418,470	1.21
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY 4,000,000	183,995	0.09
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY 3,065,700	196,884	0.10
CHS/Community Health Systems 5.125% Bonds 1/8/2021	USD 1,000,000	665,384	0.33
Cirsa Funding Luxembourg 8.75% 15/5/2018	EUR 2,946,000	2,346,192	1.18
CMA CGM 8.5% Senior Notes 15/4/2017	USD 1,000,000	652,557	0.33
CMA CGM 8.875% Senior Bonds 15/4/2019	EUR 1,500,000	1,216,484	0.61
Cobre Del Mayo SA de 10.75% Senior Notes 15/11/2018	USD 3,200,000	1,888,087	0.95
Cognor International Finance 5% Variable Convertible Bonds 1/2/2021	EUR 265,885	125,870	0.06

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Non-Sterling Denominated Corporate Bonds (continued)</b>			
Cognor International Finance 7.5% Guaranteed Senior Notes 1/2/2020	EUR 1,063,541	610,780	0.31
CONSOL Energy 5.875% Bonds 15/4/2022	USD 2,000,000	1,192,881	0.60
ConvaTec Healthcare 7.375% Notes 15/12/2017	EUR 1,600,000	1,286,780	0.64
Corral Petroleum Holdings 15% Bonds 31/12/2017	EUR 2,217,201	1,528,617	0.77
Dana Gas Sukuk 9% Notes 31/10/2017	USD 900,900	520,000	0.26
Detour Gold 5.5% Bonds 30/11/2017	USD 633,000	359,025	0.18
Drill Rigs 6.5% Bonds 1/10/2017	USD 6,717,000	3,553,968	1.78
Edcon 9.5% Bonds 1/3/2018	EUR 400,000	248,341	0.12
Edcon 13.375% Bonds 30/6/2019	EUR 2,678,000	748,190	0.37
ERC Ireland Finance 5.349% Guaranteed Subordinated Notes 15/8/2016	EUR 1,100,000	1,067	0.00
Evraz 6.75% Bonds 27/4/2018	USD 3,600,000	1,927,850	0.97
EWOS 6.58% Bonds 1/11/2020	NOK 24,000,000	1,786,260	0.90
EXCO Resources 7.5% Bonds 15/9/2018	USD 3,550,000	1,740,280	0.87
First Data 7.375% Bonds 15/6/2019	USD 3,280,000	2,214,013	1.11
First Data 11.75% Bonds 15/8/2021	USD 1,625,000	1,195,887	0.60
First Quantum Minerals 6.75% Bonds 15/2/2020	USD 894,000	518,884	0.26
First Quantum Minerals 7% Bonds 15/2/2021	USD 894,000	516,017	0.26
FMG Resources August 2006 8.25% Bonds 1/11/2019	USD 2,000,000	1,167,228	0.58
Genel Energy Finance 7.5% Bonds 14/5/2019	USD 3,200,000	1,710,217	0.86
Gestamp Funding Luxembourg 5.875% 31/5/2020	EUR 2,600,000	2,133,794	1.07
Greensill Capital SCF 1 0% Senior Notes 17/2/2015	USD 2,000,000	1,246,208	0.62
Grupo Isolux Corsan Finance 6.625% Notes 15/4/2021	EUR 1,358,000	908,987	0.46
Heidelberger Druckmaschinen 9.25% Guaranteed Bonds 15/4/2018	EUR 2,307,000	1,823,954	0.91
Helios Towers Finance 8.375% Bonds 15/7/2019	USD 2,430,000	1,402,597	0.70
Hellas Telecommunications Finance 0% Bonds 15/7/2015	EUR 552,457	3,430	0.00
Hellas Telecommunications II Subordinated Floating Rate Notes 15/1/2015	EUR 300,000	23	0.00
Hema Bondco I BV 6.25% Bonds 15/6/2019	EUR 300,000	196,151	0.10
Holdikks 6.75% Bonds 15/7/2021	EUR 350,000	224,089	0.11
Ineos Finance 7.5% Notes 1/5/2020	USD 2,570,000	1,730,640	0.87
Kerling 10.625% Senior Notes 28/1/2017	EUR 4,777,000	3,735,072	1.87
KPN Qwest 10% Convertible Notes 15/3/2012	EUR 22,000	0	0.00
Labco SAS 8.5% Senior Notes 15/1/2018	EUR 1,932,000	1,559,334	0.78
LGE HoldCo 7.125% Notes 15/5/2024	EUR 3,319,000	2,834,756	1.42
Lottomatica Floating Rate Notes 31/3/2066	EUR 2,671,000	2,240,775	1.12
Loxam 7.375% Subordinate Notes 24/1/2020	EUR 2,425,000	1,891,370	0.95
Magnetation Finance 11% Bonds 15/5/2018	USD 2,120,000	938,143	0.47
Magnolia 9% Bonds 1/8/2020	EUR 300,000	221,761	0.11
Marfrig Overseas 9.5% Bonds 4/5/2020	USD 2,300,000	1,489,819	0.75
Matterhorn Mobile Sa 6.75% Guaranteed Senior Notes 15/5/2019	CHF 3,672,000	2,488,599	1.25
Metalloinvest Finance 5.625% Bonds 17/4/2020	USD 2,668,000	1,300,420	0.65
Millicom International Cellular 6.625% Notes 15/10/2021	USD 5,330,000	3,555,042	1.78
New Red Finance 6% Bonds 1/4/2022	USD 2,695,000	1,771,605	0.89
Nitrogenmuvek Vegyipari Zrt 7.875% Bonds 21/5/2020	USD 3,100,000	1,975,709	0.99
Norcell Sweden 2 10.75% Guaranteed Bonds 29/9/2019	EUR 1,170,000	1,011,045	0.51
Norcell Sweden Holding 3 5.25% 4/11/2019	SEK 14,000,000	1,155,565	0.58
Norske Skogindustrier 11.75% Bonds 15/6/2016	EUR 1,100,000	633,169	0.32
Numericable-SFR 5.625% Bonds 15/5/2024	EUR 7,950,000	6,385,666	3.20
OI 5.75% Senior Bonds 10/2/2022	USD 2,600,000	1,525,734	0.76
Pacific Drilling 7.25% Bonds 1/12/2017	USD 3,100,000	1,789,322	0.90
Play Finance 2 5.25% Senior Notes 1/2/2019	EUR 2,260,000	1,815,268	0.91
Sazka 9% Bonds 12/7/2021	EUR 192,197	4,349	0.00
SMCP 8.875% 15/6/2020	EUR 800,000	637,988	0.32
Sprint 7.125% Bonds 15/6/2024	USD 2,142,000	1,277,576	0.64
Sprint 7.875% Senior Notes 15/9/2023	USD 3,360,000	2,127,300	1.07
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 3,296,000	2,045,137	1.02
Sprint Communications 9.25% Bonds 15/4/2022	USD 3,970,000	2,877,088	1.44
Takko Luxembourg 2 9.875% Bonds 15/4/2019	EUR 350,000	95,068	0.05
Techem GmbH 6.125% Bonds 1/10/2019	EUR 1,620,000	1,338,947	0.67
Telefonica Europe 4.2% Variable Rate Subordinated Perpetual Bonds	EUR 1,400,000	1,099,745	0.55
Telemovil Finance 8% Bonds 1/10/2017	USD 8,780,000	5,799,840	2.91

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Non-Sterling Denominated Corporate Bonds (continued)</b>			
Telenet Finance 6.75% Bonds 15/8/2024	EUR 1,850,000	1,608,224	0.81
Tenet Healthcare 6% Bonds 1/10/2020	USD 1,000,000	688,684	0.35
T-Mobile USA 6.464% Bonds 28/4/2019	USD 1,053,000	702,338	0.35
Tullow Oil 6% Bonds 1/11/2020	USD 3,864,000	2,056,835	1.03
Unify Germany Holdings 10.75% Medium Term Notes 15/11/2015	EUR 1,600,000	1,182,725	0.59
Unitymedia Hessen 4% Senior Notes 15/1/2025	EUR 1,400,000	1,106,441	0.55
Unitymedia NRW GmbH 6.25% Guranteed Senior Notes 15/1/2029	EUR 2,500,000	2,192,387	1.10
UPC 6.375% Bonds 15/9/2022	EUR 2,922,000	2,466,086	1.24
UPC Holding 8.375% Senior Notes 15/8/2020	EUR 1,550,000	1,288,609	0.65
Valeant Pharmaceuticals International 7.5% Bonds 15/7/2021	USD 1,854,000	1,284,156	0.64
VimpelCom 7.5043% Notes 1/3/2022	USD 3,200,000	1,662,338	0.83
Virgin Media Finance 6.375% Bonds 15/4/2023	USD 2,400,000	1,612,314	0.81
Virgolino de Oliveira Finance 10.5% Bonds 28/1/2018	USD 2,200,000	56,437	0.03
Viridian FundCo II 11.125% Bonds 1/4/2017	USD 2,173,000	1,491,172	0.75
Viridian Group Fund 11.125% Guaranteed Notes 1/4/2017	EUR 1,502,000	1,247,247	0.62
Waterford Wedgwood 9.875% Notes 1/12/2010	EUR 340,000	26	0.00
Wind Acquisition Finance 4% 15/7/2020	EUR 2,370,000	1,797,893	0.90
Wind Acquisition Finance 7% Guaranteed Bonds 23/4/2021	EUR 3,757,000	2,857,367	1.43
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	1,704,290	0.85
<b>Czech Republic 0.00% (0.00%)</b>			
Bestsport Arena	2,444,279	0	0.00
Bestsport Services	340,465	0	0.00
<b>Germany 0.02% (0.00%)</b>			
Telegate	12,122	31,092	0.02
<b>Italy 0.07% (0.00%)</b>			
Seat-Pagine Gialle	64,690,314	140,571	0.07
<b>Derivatives -0.28% (1.37%)</b>			
<b>BRL Forward Foreign Currency Contracts 0.02% (-0.02%)</b>			
Forward Foreign Currency Contracts 12/02/15	BRL(8,276,000)	(1,977,653)	(0.99)
Forward Foreign Currency Contracts 12/02/15	£2,015,342	2,015,342	1.01
<b>CHF Forward Foreign Currency Contracts 0.02% (0.04%)</b>			
Forward Foreign Currency Contracts 12/02/15	CHF 1,073,217	693,357	0.35
Forward Foreign Currency Contracts 12/02/15	£(697,574)	(697,574)	(0.35)
Forward Foreign Currency Contracts 12/02/15	CHF(4,969,173)	(3,210,359)	(1.61)
Forward Foreign Currency Contracts 12/02/15	£3,245,348	3,245,348	1.63
<b>CNY Forward Foreign Currency Contracts 0.00% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	CNY(4,245,007)	(441,866)	(0.22)
Forward Foreign Currency Contracts 12/02/15	£433,531	433,531	0.22
<b>EUR Forward Foreign Currency Contracts 0.41% (1.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	EUR 27,220,927	21,139,262	10.59
Forward Foreign Currency Contracts 12/02/15	£(21,508,099)	(21,508,099)	(10.78)
Forward Foreign Currency Contracts 12/02/15	EUR(130,136,878)	(101,061,858)	(50.64)
Forward Foreign Currency Contracts 12/02/15	£102,265,000	102,265,000	51.25
<b>MXN Forward Foreign Currency Contracts -0.04% (0.04%)</b>			
Forward Foreign Currency Contracts 12/02/15	MXN 108,903,866	4,728,626	2.37
Forward Foreign Currency Contracts 12/02/15	£(5,001,465)	(5,001,465)	(2.51)
Forward Foreign Currency Contracts 12/02/15	MXN(108,814,000)	(4,724,724)	(2.37)
Forward Foreign Currency Contracts 12/02/15	£4,923,101	4,923,101	2.47

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>NOK Forward Foreign Currency Contracts 0.06% (0.04%)</b>			
Forward Foreign Currency Contracts 12/02/15	NOK(22,842,188)	(1,952,374)	(0.98)
Forward Foreign Currency Contracts 12/02/15	£2,079,085	2,079,085	1.04
<b>SEK Forward Foreign Currency Contracts 0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	SEK 29,942,640	2,454,136	1.23
Forward Foreign Currency Contracts 12/02/15	£(2,582,562)	(2,582,562)	(1.29)
Forward Foreign Currency Contracts 12/02/15	SEK(45,153,667)	(3,700,851)	(1.85)
Forward Foreign Currency Contracts 12/02/15	£3,845,963	3,845,962	1.93
<b>USD Forward Foreign Currency Contracts -0.77% (0.25%)</b>			
Forward Foreign Currency Contracts 12/02/15	USD 41,363,699	26,535,939	13.30
Forward Foreign Currency Contracts 12/02/15	£(26,358,259)	(26,358,259)	(13.21)
Forward Foreign Currency Contracts 12/02/15	USD(155,123,879)	(99,516,191)	(49.87)
Forward Foreign Currency Contracts 12/02/15	£97,803,443	97,803,443	49.01
<b>Portfolio of investments*</b>		<b>197,418,859</b>	<b>98.93</b>
<b>Net current assets</b>		<b>2,137,156</b>	<b>1.07</b>
<b>Total Net Assets</b>		<b>199,556,015</b>	<b>100.00</b>
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 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000's)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>31/12/2014</b>	<b>Total Net Assets (%)</b> <b>30/06/2014</b>
AA	658	0.33	0.23
BBB	0	0.00	1.71
BB	51,110	25.61	27.93
B	103,045	51.64	49.79
CCC	13,325	6.68	4.99
CC	56	0.03	-
D	314	0.16	0.27
Not Rated (by S&P)	29,482	14.77	9.78
Derivatives	(572)	(0.29)	1.37
<b>Portfolio of investments</b>	<b>197,419</b>	<b>98.93</b>	<b>96.07</b>
<b>Net current assets</b>	<b>2,137</b>	<b>1.07</b>	<b>3.93</b>
<b>Total Net Assets</b>	<b>199,556</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital (losses)/gains		(19,696,634)		3,775,355
Revenue	8,908,078		7,041,717	
Expenses	(483,830)		(494,278)	
Finance costs: Interest	(5,491)		-	
Net revenue before taxation	8,418,757		6,547,439	
Taxation	-		-	
Net revenue after taxation		<u>8,418,757</u>		<u>6,547,439</u>
<b>Total return before distributions</b>		<b>(11,277,877)</b>		<b>10,322,794</b>
Finance costs: Distributions		(8,804,101)		(6,950,572)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>(20,081,978)</u></b>		<b><u>3,372,222</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		286,366,135		155,872,579
Amounts receivable on issue of shares	13,606,055		141,157,705	
Amounts payable on cancellation of shares	(82,923,563)		(27,825,268)	
		(69,317,508)		113,332,437
Dilution adjustment		33,033		448,856
Change in net assets attributable to Shareholders from investment activities (see above)		(20,081,978)		3,372,222
Retained distributions on accumulation shares		2,555,537		2,157,494
Unclaimed distributions		796		1,197
<b>Closing net assets attributable to Shareholders</b>		<b><u>199,556,015</u></b>		<b><u>275,184,785</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		199,914,261		275,439,777
Debtors	4,225,613		8,487,123	
Cash and bank balances	<u>304,292</u>		<u>20,090,269</u>	
Total other assets		<u>4,529,905</u>		<u>28,577,392</u>
Total assets		204,444,166		304,017,169
<b>LIABILITIES</b>				
Investment liabilities		(2,495,402)		(333,790)
Bank overdraft	-		(1)	
Creditors	(1,912,299)		(16,568,563)	
Distribution payable on income shares	<u>(480,450)</u>		<u>(748,680)</u>	
Total other liabilities		<u>(2,392,749)</u>		<u>(17,317,244)</u>
Total liabilities		(4,888,151)		(17,651,034)
<b>Net assets attributable to Shareholders</b>		<u><b>199,556,015</b></u>		<u><b>286,366,135</b></u>

\*Gross of investment liabilities

**Distribution Statement**

for the six months ended 31 December 2014

**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	0.2528	0.0506	0.2022	0.0000	0.2022	0.2893
Group 2	0.0534	0.0107	0.0427	0.1595	0.2022	0.2893
X Shares (Net Accumulation)						
Group 1	0.5645	0.1129	0.4516	0.0000	0.4516	0.4627
Group 2	0.4489	0.0898	0.3591	0.0925	0.4516	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	0.4856	0.0971	0.3885	0.0000	0.3885	0.4632
Group 2	0.2174	0.0435	0.1739	0.2146	0.3885	0.4632
Institutional Shares W (Net Accumulation)						
Group 1	0.5536	0.1107	0.4429	0.0000	0.4429	0.4962
Group 2	0.2004	0.0401	0.1603	0.2826	0.4429	0.4962
Retail Advised Shares B (Net Income)						
Group 1	0.4425	0.0885	0.3540	0.0000	0.3540	0.4458
Group 2	0.0166	0.0033	0.0133	0.3407	0.3540	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	0.3971	0.0794	0.3177	0.0000	0.3177	0.2470
Group 2	0.1708	0.0342	0.1366	0.1811	0.3177	0.2470
X Shares (Net Accumulation)						
Group 1	0.6495	0.1299	0.5196	0.0000	0.5196	0.3938
Group 2	0.2436	0.0487	0.1949	0.3247	0.5196	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
Institutional Shares W (Net Income)						
Group 1	0.6271	0.1254	0.5017	0.0000	0.5017	0.3959
Group 2	0.3178	0.0636	0.2542	0.2475	0.5017	0.3959

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/11/2013</b>
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	0.7051	0.1410	0.5641	0.0000	0.5641	0.4225
Group 2	0.2579	0.0516	0.2063	0.3578	0.5641	0.4225
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.6083	0.1217	0.4866	0.0000	0.4866	0.3805
Group 2	0.0643	0.0129	0.0514	0.4352	0.4866	0.3805
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/10/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.4309	0.0862	0.3447	0.0000	0.3447	0.2872
Group 2	0.1809	0.0362	0.1447	0.2000	0.3447	0.2872
<b>X Shares (Net Accumulation)</b>						
Group 1	0.7013	0.1403	0.5610	0.0000	0.5610	0.4548
Group 2	0.2988	0.0598	0.2390	0.3220	0.5610	0.4548
<b>X Shares (Net Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.6804	0.1361	0.5443	0.0000	0.5443	0.4593
Group 2	0.3059	0.0612	0.2447	0.2996	0.5443	0.4593
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.6600	0.1320	0.5280	0.0000	0.5280	0.4423
Group 2	0.1208	0.0242	0.0966	0.4314	0.5280	0.4423
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.7336	0.1467	0.5869	0.0000	0.5869	0.4672
Group 2	0.3170	0.0634	0.2536	0.3333	0.5869	0.4672
<b>P Shares (Net Accumulation)</b>						
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

**Distribution Statements (continued)****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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.3741	0.0748	0.2993	0.0000	0.2993	0.2228
Group 2	0.1698	0.0340	0.1358	0.1635	0.2993	0.2228
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
Group 1	0.4979	0.0996	0.3983	0.0000	0.3983	0.3053
Group 2	0.0000	0.0000	0.0000	0.3983	0.3983	0.3053
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	0.6570	0.1314	0.5256	0.0000	0.5256	0.3783
Group 2	0.3151	0.0630	0.2521	0.2735	0.5256	0.3783
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.5723	0.1145	0.4578	0.0000	0.4578	0.3431
Group 2	0.1160	0.0232	0.0928	0.3650	0.4578	0.3431
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.6333	0.1267	0.5066	0.0000	0.5066	0.3613
Group 2	0.2705	0.0541	0.2164	0.2902	0.5066	0.3613
<b>P Shares (Net Accumulation)</b>						
Group 1	0.6430	0.1286	0.5144	0.0000	0.5144	0.3653
Group 2	0.6430	0.1286	0.5144	0.0000	0.5144	0.3653

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/08/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.4139	0.0828	0.3311	0.0000	0.3311	0.3398
Group 2	0.1890	0.0378	0.1512	0.1799	0.3311	0.3398
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
Group 1	0.5509	0.1102	0.4407	0.0000	0.4407	0.4632
Group 2	0.5509	0.1102	0.4407	0.0000	0.4407	0.4632

**Distribution Statements (continued)**
**Interim interest 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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/08/2013</b>
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	0.7231	0.1446	0.5785	0.0000	0.5785	0.5711
Group 2	0.3845	0.0769	0.3076	0.2709	0.5785	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	0.7071	0.1414	0.5657	0.0000	0.5657	0.5517
Group 2	0.7071	0.1414	0.5657	0.0000	0.5657	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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/07/2013</b>
Sterling Income Shares						
Group 1	0.4031	0.0806	0.3225	0.0000	0.3225	0.3818
Group 2	0.1704	0.0341	0.1363	0.1862	0.3225	0.3818
X Shares (Net Accumulation)						
Group 1	0.6434	0.1287	0.5147	0.0000	0.5147	0.5930
Group 2	0.1813	0.0363	0.1450	0.3697	0.5147	0.5930
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	0.6165	0.1233	0.4932	0.0000	0.4932	0.5877
Group 2	0.0000	0.0000	0.0000	0.4932	0.4932	0.5877

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/07/2013</b>
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.6756	0.1351	0.5405	0.0000	0.5405	0.6121
Group 2	0.0086	0.0017	0.0069	0.5336	0.5405	0.6121
<b>P Shares (Net Income)</b>						
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
<b>P Shares (Net Accumulation)</b>						
Group 1	0.6855	0.1371	0.5484	0.0000	0.5484	0.6159
Group 2	0.6855	0.1371	0.5484	0.0000	0.5484	0.6159

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL HIGHER INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£4,381.80m
Comparative Index:	FTSE World TR GBP
Sector:	The Investment Association Global Equity Income

Yield as at 31 December 2014:

Sterling Income Shares	3.73%
Institutional Shares (Income)	3.78%
Institutional Shares (Accumulation)	3.64%
Exempt Shares 2 (Net Income)	3.78%
X Shares (Net Accumulation)	3.61%
X Shares (Net Income)	3.74%
Sterling Accumulation Shares	3.60%
Institutional Shares W (Net Income)	3.77%
Institutional Shares W (Net Accumulation)	3.64%
Retail Advised Shares B (Net Income)	3.71%
Retail Advised Shares B (Net Accumulation)	3.58%
Exempt Shares 2 (Net Accumulation)	3.63%
U Shares (Net Income)	1.45%
U Shares (Net Accumulation)	1.45%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	8.22%	14.19%	10.19%	2.54%	13.31%
Institutional Shares (Income)	8.84%	14.84%	10.83%	3.12%	13.96%
Institutional Shares (Accumulation)	8.84%	14.85%	10.84%	3.13%	13.95%
Exempt Shares 2 (Net Income)	9.12%	15.14%	11.10%	3.38%	14.24%
X Shares (Net Accumulation)	9.92%	16.00%	11.92%	4.12%	15.09%
X Shares (Net Income)*	9.92%	15.99%	11.91%	4.12%	n/a
Sterling Accumulation Shares*	8.22%	14.20%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	9.12%	15.13%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	9.12%	15.15%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	8.77%	14.76%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	8.77%	14.78%	n/a	n/a	n/a
Exempt Shares 2 (Net Accumulation)*	9.11%	n/a	n/a	n/a	n/a
U Shares (Net Income)*	n/a	n/a	n/a	n/a	n/a
U Shares (Net Accumulation)*	n/a	n/a	n/a	n/a	n/a
FTSE World TR GBP	11.29%	22.36%	11.83%	-5.79%	16.28%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income Share Class of the Fund returned +5.06% against a return of +7.79% for the FTSE World Index.

The Fund delivered a positive return but underperformed its comparative index. Sector allocation boosted the Fund's relative returns, especially in the healthcare and basic materials sectors. Stock selection was a source of underperformance, particularly in the healthcare sector. The biggest individual detractor from the Fund's returns was Norwegian oil company Statoil, which was affected by the falling oil price and declared a surprise net loss in its third-quarter results. Elsewhere, UK utility company Centrica issued a profit warning towards the end of the period, based on the effects of unseasonably warm weather on demand for gas and electricity. Danish telecoms operator TDC was also weak, warning that its earnings would fall short of market expectations. The company also lost out to competitors on two contracts. The largest individual contribution to the Fund's outperformance came from Microsoft, which announced strong results and an attractive 11% rise in its dividend. Reynolds American, the US tobacco company, continued to benefit from optimism surrounding its merger with Lorillard, while Paychex, the US-listed payroll and payroll-tax services holding, also contributed robust relative returns.

The Fund established a new position in Las Vegas Sands, the owner of casinos in Macau, Las Vegas and Singapore. The weakness of activity in Macau following China's clampdowns on spending and entertainment in an anti-corruption drive provided an opportunity to invest in the structural growth of gambling and consumer-related spending in Asia. The Fund also initiated a holding in Northeast Utilities, the US public utility holding company, which is located in areas with growing demand for power and gas infrastructure. The company offers both decent levels of regulated returns and the potential to grow its asset base significantly. On the sales side, the Fund disposed of Cable & Wireless Communications as the business case had changed. Elsewhere, the Fund sold its holding in ICAP as voice-broking revenues continued to slump and the outlook for that part of the business remains uncertain.

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

#### Purchases

Sanofi  
Imperial Tobacco  
Centrica  
Las Vegas Sands  
Verizon Communications  
CRH  
Cobham  
Zurich Financial Services  
Mattel  
Cisco Systems

#### Sales

ConocoPhillips  
Deutsche Telekom  
Lockheed Martin  
MTN Group  
ICAP  
Microsoft  
CCR  
Balfour Beatty  
Cable & Wireless Communications  
Husky Energy

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	127.41	108.53	6.0220
2011	130.42	111.11	5.8884
2012	133.20	121.74	5.7863
2013	152.74	130.17	5.8250
2014	151.11	135.50	5.7030
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	130.73	111.06	6.2497
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	162.55	136.38	7.5722
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
<b>Exempt Shares 2 (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	132.14	112.12	6.2980
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	157.06	130.57	7.2592
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	8.8268
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010 (from 8 October)	107.25	100.00	0.7396
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	5.1569
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 13 March)	105.63	93.99	3.7931
2013	123.29	104.13	4.7296
2014	130.15	112.93	4.8194
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.20	97.81	1.0379
2013	117.85	100.14	4.5823
2014	117.95	105.10	4.5121
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.45	98.05	1.0419
2013	120.19	101.20	4.7065
2014	128.51	110.74	4.8235

\*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*
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.

<b>P Shares (Net Accumulation)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.

<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 1 October)	101.42	97.03	0.7719
2013	116.74	99.31	4.4615
2014	116.40	103.94	4.3845

<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 1 October)	101.42	97.03	0.7719
2013	118.74	100.09	4.5657
2014	126.32	109.15	4.6720

<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 14 February)	110.70	99.77	4.3201
2014	118.35	101.99	4.4408

<b>U Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 20 May)	105.17	94.73	3.2885

<b>U Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 20 May)	107.93	97.22	3.3229

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	1,683,679,517	125.26	1,344,147,459
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
31/12/2014	1,329,519,036	146.70	906,314,756
<b>Institutional Shares (Income)</b>		<b>Pence</b>	
30/06/2012	563,291,435	129.48	435,045,095
30/06/2013	494,375,606	146.25	338,027,982
30/06/2014	421,756,833	148.27	284,449,670
31/12/2014	338,058,307	153.55	220,157,645
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	173,598,840	175.05	99,172,471
30/06/2013	222,794,843	206.62	107,828,574
30/06/2014	193,416,096	218.28	88,608,604
31/12/2014	193,785,065	229.44	84,459,637

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Exempt Shares 2 (Net Income)</b>			
		<b>Pence</b>	
30/06/2012	18,602,576	131.37	14,159,989
30/06/2013	25,544,731	148.77	17,170,787
30/06/2014	48,910,669	151.20	32,349,137
31/12/2014	27,775,054	156.79	17,714,747
<b>X Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	78,327,767	171.60	45,646,830
30/06/2013	102,565,587	204.55	50,142,415
30/06/2014	184,498,930	218.25	84,534,771
31/12/2014	193,596,125	230.54	83,976,114
<b>X Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2012	132,528,302	107.97	122,741,486
30/06/2013	181,681,344	123.19	147,483,560
30/06/2014	212,966,225	126.13	168,848,143
31/12/2014	222,179,546	131.26	169,265,442
<b>Sterling Accumulation Shares</b>			
		<b>Pence</b>	
30/06/2012	4,052,689	98.43	4,117,309
30/06/2013	114,407,801	115.54	99,016,827
30/06/2014	89,019,563	121.37	73,344,797
31/12/2014	78,742,120	127.21	61,899,668
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	829,087,339	108.70	762,701,811
30/06/2014	1,273,347,945	110.48	1,152,610,310
31/12/2014	1,499,499,838	114.56	1,308,878,127
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	75,650,292	112.74	67,099,215
30/06/2014	286,573,572	119.41	239,994,704
31/12/2014	406,217,992	125.68	323,209,265
<b>P Shares (Net Income)**</b>			
		<b>Pence</b>	
30/06/2013	458,377	107.48	426,471
**P Shares (Net Income) share class closed 23 September 2013.			
<b>P Shares (Net Accumulation)***</b>			
		<b>Pence</b>	
30/06/2013	486,914	110.84	439,277
***P Shares (Net Accumulations) share class closed 26 July 2013.			
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	3,108,991	107.67	2,887,458
30/06/2014	2,774,522	109.16	2,541,692
31/12/2014	2,927,063	113.04	2,589,355
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	701,639	111.34	630,180
30/06/2014	1,425,690	117.54	1,212,905
31/12/2014	1,701,575	123.51	1,377,665
<b>Exempt Shares 2 (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	56,381,872	103.84	54,298,365
30/06/2014	59,713,149	109.97	54,298,365
31/12/2014	87,792,223	115.74	75,850,800

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>U Shares (Net Income)</b>			
30/06/2014	4,922	Pence 98.44	5,000
31/12/2014	5,238	102.15	5,128
<b>U Shares (Net Accumulation)</b>			
30/06/2014	5,011	Pence 100.22	5,000
31/12/2014	5,278	105.56	5,000

**Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Sterling Income Shares	1.62	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	1.62	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)	1.12	1.12
Retail Advised Shares B (Net Accumulation)	1.12	1.12
Exempt Shares 2 (Net Accumulation)	0.79	0.80
U Shares (Net Income)	0.72	0.72
U Shares (Net Accumulation)	0.72	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 16.85% (14.14%)</b>			
BAE Systems	9,687,972	45,678,788	1.04
Balfour Beatty	17,674,250	37,363,364	0.85
Centrica	47,000,000	131,083,000	2.99
Cobham	6,975,995	22,595,248	0.52
GlaxoSmithKline	8,908,430	122,579,997	2.80
Imperial Tobacco	1,600,000	45,376,000	1.03
Reed Elsevier	6,730,814	103,557,012	2.36
SSE	6,192,000	100,434,240	2.29
Tesco	16,476,799	31,091,720	0.71
Vodafone	44,584,278	99,266,895	2.26
<b>Canada 0.56% (0.98%)</b>			
Husky Energy	1,600,000	24,363,234	0.56
<b>United States of America 44.32% (43.27%)</b>			
Annaly Capital Management	6,928,779	48,035,979	1.10
CA	4,943,039	96,530,728	2.20
Cisco Systems	3,700,000	65,991,342	1.51
Clorox	1,550,758	103,602,668	2.36
Kraft Foods class 'A' shares	1,240,514	49,843,323	1.14
Las Vegas Sands	1,138,299	42,451,234	0.97
Mattel	3,876,893	76,928,696	1.75
Merck & Co	2,350,836	85,620,636	1.95
Microsoft	7,819,622	232,946,251	5.32
Northeast Utilities	3,198,437	109,742,748	2.50
Paychex	3,296,119	97,578,229	2.23
PDL Bio-Pharma	4,589,002	22,691,169	0.52
Pfizer	4,409,967	88,100,351	2.01
Philip Morris International	3,479,512	181,735,743	4.15
Procter & Gamble	1,697,551	99,191,196	2.26
Reynolds American	6,435,000	265,158,730	6.05
Sysco	5,864,717	149,246,093	3.41
Two Harbors	6,590,719	42,395,326	0.97
Verizon Communications	2,800,000	83,968,575	1.92
<b>Brazil 0.42% (1.17%)</b>			
CCR	5,000,000	18,577,495	0.42
<b>Australia 0.95% (1.02%)</b>			
Dexus Property	11,358,155	41,549,500	0.95
<b>Hong Kong 1.29% (1.08%)</b>			
Link Real Estate Investment Trust	14,060,000	56,394,649	1.29
<b>South Korea 0.87% (0.85%)</b>			
MacQuarie Korea Infrastructure	9,595,580	38,352,093	0.87
<b>Singapore 0.81% (0.94%)</b>			
Singapore Tech Engineering	21,596,000	35,432,407	0.81
<b>Thailand 0.91% (0.99%)</b>			
Bangkok Bank	10,492,200	39,883,176	0.91
<b>Denmark 1.89% (2.24%)</b>			
TDC	16,827,035	82,826,488	1.89
<b>France 5.63% (6.11%)</b>			
Sanofi	2,235,000	130,955,337	2.99
Suez Environnement	4,000,000	44,794,536	1.02
Total	2,153,532	71,054,606	1.62

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Germany 1.81% (3.56%)</b>			
Deutsche Post	3,771,162	79,342,053	1.81
<b>Ireland 1.05% (0.51%)</b>			
CRH	2,969,477	45,848,236	1.05
<b>Netherlands 4.03% (6.35%)</b>			
Royal Dutch Shell 'A'	3,522,914	75,581,823	1.73
Wolters Kluwer	5,131,540	100,954,204	2.30
<b>Norway 3.32% (4.49%)</b>			
Orkla	21,000,000	91,702,272	2.09
Statoil	4,817,041	54,060,397	1.23
<b>Sweden 1.86% (1.87%)</b>			
TeliaSonera	19,700,000	81,342,602	1.86
<b>Switzerland 10.23% (9.66%)</b>			
Credit Suisse	2,259,782	36,565,485	0.83
Nestlé	1,051,956	49,496,623	1.13
Novartis	2,183,304	130,066,776	2.97
Roche	686,000	119,458,354	2.73
Zurich Financial Services	560,000	112,661,439	2.57
<b>Luxembourg 0.97% (0.00%)</b>			
SES Global FDR (each representing 1 class 'A' share)	1,844,544	42,457,937	0.97
<b>Derivatives 0.10% (0.19%)</b>			
<b>EUR Forward Foreign Currency Contracts 0.14% (0.06%)</b>			
Forward Foreign Currency contracts 13/02/15	EUR(221,411,850)	(171,946,871)	(3.92)
Forward Foreign Currency contracts 13/02/15	USD277,095,541	177,765,681	4.06
<b>JPY Forward Foreign Currency contracts -0.04% (-0.03%)</b>			
Forward Foreign Currency contracts 13/02/15	£(90,633,539)	(90,633,539)	(2.07)
Forward Foreign Currency contracts 13/02/15	JPY16,591,384,385	88,806,530	2.03
<b>Portfolio of investments*</b>		<b>4,288,498,804</b>	<b>97.87</b>
<b>Net current assets</b>		<b>93,305,656</b>	<b>2.13</b>
<b>Total Net Assets</b>		<b>4,381,804,460</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the South Africa portfolio category, which, at 30 June 2014, represented 1.00% 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.

FDR = French Depositary Receipt

\*Net of investment liabilities.

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		170,090,842		58,856,896
Revenue	72,195,586		72,201,360	
Expenses	<u>(22,378,982)</u>		<u>(24,615,744)</u>	
Net revenue before taxation	49,816,604		47,585,616	
Taxation	<u>(6,653,297)</u>		<u>(6,568,300)</u>	
Net revenue after taxation		<u>43,163,307</u>		<u>41,017,316</u>
<b>Total return before distributions</b>		<b>213,254,149</b>		<b>99,874,212</b>
Finance costs: Distributions		(63,751,646)		(63,635,701)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>149,502,503</u></b>		<b><u>36,238,511</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		4,215,938,882		4,003,552,221
Amounts receivable on issue of shares	308,690,640		403,749,374	
Amounts payable on cancellation of shares	<u>(305,695,732)</u>		<u>(343,235,225)</u>	
		2,994,908		60,514,149
Dilution adjustment		37,842		-
Stamp Duty Reserve Tax		42,049		(332,245)
Change in net assets attributable to Shareholders from investment activities (see above)		149,502,503		36,238,511
Retained distributions on accumulation shares		13,280,551		9,749,412
Unclaimed distributions		7,725		1,722
<b>Closing net assets attributable to Shareholders</b>		<b><u>4,381,804,460</u></b>		<b><u>4,109,723,770</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		4,290,325,813		4,228,379,853
Debtors	23,171,457		59,125,442	
Cash and bank balances	99,198,605		29,788,181	
Total other assets		<u>122,370,062</u>		<u>88,913,623</u>
Total assets		4,412,695,875		4,317,293,476
<b>LIABILITIES</b>				
Investment liabilities		(1,827,009)		(2,322,623)
Creditors	(5,676,826)		(37,974,716)	
Distribution payable on income shares	(23,387,580)		(61,057,255)	
Total other liabilities		<u>(29,064,406)</u>		<u>(99,031,971)</u>
Total liabilities		(30,891,415)		(101,354,594)
<b>Net assets attributable to Shareholders</b>		<u><b>4,381,804,460</b></u>		<u><b>4,215,938,882</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
Group 1	1.1039	0.1104	0.9935	0.0000	0.9935	0.9595
Group 2	0.6113	0.0611	0.5502	0.4433	0.9935	0.9595
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Exempt Shares 2 (Net Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
Group 1	1.7459	0.1746	1.5713	0.0000	1.5713	1.4576
Group 2	1.2673	0.1267	1.1406	0.4307	1.5713	1.4576
<b>X Shares (Net Income)</b>						
Group 1	1.0009	0.1001	0.9008	0.0000	0.9008	0.8676
Group 2	0.5374	0.0537	0.4837	0.4171	0.9008	0.8676
<b>Sterling Accumulation Shares</b>						
Group 1	0.9510	0.0951	0.8559	0.0000	0.8559	0.7945
Group 2	0.6611	0.0661	0.5950	0.2609	0.8559	0.7945
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	0.9539	0.0954	0.8585	0.0000	0.8585	0.7983
Group 2	0.5871	0.0587	0.5284	0.3301	0.8585	0.7983
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.8480	0.0848	0.7632	0.0000	0.7632	0.7356
Group 2	0.3962	0.0396	0.3566	0.4066	0.7632	0.7356
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.9198	0.0920	0.8278	0.0000	0.8278	0.7672
Group 2	0.4196	0.0420	0.3776	0.4502	0.8278	0.7672
<b>Exempt Shares 2 (Net Accumulation)</b>						
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
<b>U Shares (Net Income)</b>						
Group 1	0.7848	0.0785	0.7063	0.0000	0.7063	n/a
Group 2	0.3577	0.0358	0.3219	0.3844	0.7063	n/a
<b>U Shares (Net Accumulation)</b>						
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

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	1.2571	0.1257	1.1314	0.0000	1.1314	1.2064
Group 2	0.5916	0.0592	0.5324	0.5990	1.1314	1.2064
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Exempt Shares 2 (Net Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
Group 1	1.1381	0.1138	1.0243	0.0000	1.0243	1.0896
Group 2	0.3914	0.0391	0.3523	0.6720	1.0243	1.0896
<b>Sterling Accumulation Shares</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.9962	0.0996	0.8966	0.0000	0.8966	0.9577
Group 2	0.5922	0.0592	0.5330	0.3636	0.8966	0.9577
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.0769	0.1077	0.9692	0.0000	0.9692	0.9948
Group 2	0.6168	0.0617	0.5551	0.4141	0.9692	0.9948
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	1.0409	0.1041	0.9368	0.0000	0.9368	0.9607
Group 2	0.7104	0.0710	0.6394	0.2974	0.9368	0.9607
<b>Exempt Shares 2 (Net Accumulation)</b>						
Group 1	0.9918	0.0992	0.8926	0.0000	0.8926	0.9140
Group 2	0.7288	0.0729	0.6559	0.2367	0.8926	0.9140
<b>U Shares (Net Income)</b>						
Group 1	0.8906	0.0891	0.8015	0.0000	0.8015	n/a
Group 2	0.3389	0.0339	0.3050	0.4965	0.8015	n/a
<b>U Shares (Net Accumulation)</b>						
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.

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		413,120,154		792,079,024
Commissions	217,079		597,392	
Taxes	<u>1,079,022</u>		<u>931,315</u>	
Total purchase costs		1,296,101		1,528,707
<b>Gross purchases total</b>		<b><u>414,416,255</u></b>		<b><u>793,607,731</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		509,162,831		657,962,119
Commissions	(285,951)		(706,110)	
Taxes	<u>(18,290)</u>		<u>(55,822)</u>	
Total sales costs		(304,241)		(761,932)
<b>Total sales net of transaction costs</b>		<b><u>508,858,590</u></b>		<b><u>657,200,187</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON GLOBAL OPPORTUNITES FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser: Newton Investment Management Limited

Fund Size: £522.69m

Comparative Index: FTSE All World TR GBP

Sector: The Investment Association Global

Yield as at 31 December 2014:

Sterling Income Shares	0.46%
Exempt Shares 2 (Net Accumulation)	1.09%
X Shares (Net Accumulation)	1.67%
Institutional Shares W (Net Income)	1.06%
Institutional Shares W (Net Accumulation)	1.04%
Retail Advised Shares B (Net Income)	0.82%
Retail Advised Shares B (Net Accumulation)	0.80%
Exempt Shares 2 (Net Income)	1.12%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	11.26%	20.16%	10.47%	-9.19%	20.24%
Exempt Shares 2 (Net Accumulation)	12.16%	21.15%	11.38%	-8.43%	21.21%
X Shares (Net Accumulation)	12.98%	22.05%	12.23%	-7.75%	22.13%
Institutional Shares W (Net Income)*	12.17%	21.15%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	12.16%	21.13%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	11.80%	20.77%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	11.81%	20.75%	n/a	n/a	n/a
Exempt Shares 2 (Net Income)*	12.16%	n/a	n/a	n/a	n/a
FTSE All World TR GBP	11.30%	21.03%	12.00%	-6.57%	16.74%

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Income Share Class of the Fund returned +8.44% against a return of +7.83% from the FTSE All World Index.

The Fund delivered a positive return outperforming its comparative index. Asset allocation boosted the Fund's relative returns, especially in the oil & gas sector. The largest individual contribution to the Fund's outperformance came from TJX, the US-listed parent of retailer TK Maxx. Pharmacy benefits manager Express Scripts also did well, reporting a rise in third-quarter profits during the period. Elsewhere, solid results and evidence of product innovation boosted US tech stock Intuit, which also contributed robust relative returns. The list of negative contributors unsurprisingly features a number of businesses affected by the fall in the oil price. The portfolio's relatively low exposure to the oil and gas sector was nonetheless of benefit to relative performance. Canadian miner Yamana Gold also affected the Fund's returns, undermined by weakness in the price of gold and a questionable acquisition. Discovery Communications was weak after reporting mixed results that featured deterioration in US advertising revenues. The manager believes that this business can continue to generate reasonable growth at a good return on capital and is attractively valued.

The Fund established a new position in US pay-TV provider Discovery Communications, to take advantage of the growth opportunity in pay TV outside the US, while affiliate fees in the US are still growing. Other significant purchases included Yum! Brands, which owns KFC, Pizza Hut and Taco Bell; US pharmacy chain Walgreens; Trimble Navigation, which sells precision measurement instruments; Japanese telecoms operator Softbank; search-engine company Google; French cosmetics company L'Oreal; and Vallourec, which manufactures steel tubing for use in the oil and gas industry. On the sales side, the Fund disposed of the holding in eBay on the grounds of competitive threats to its Marketplace and PayPal businesses. The Fund also sold National Oilwell Varco (NOV), as a substantial supply of new oil rigs is on its way, which is likely to depress NOV's business for some time. Elsewhere, the manager disposed of the holding in Compass, a contract-catering business; Air Liquide, as the valuation was relatively full; Royal Dutch Shell, to reduce the portfolio's exposure to oil & gas; Toyota, as its profit margins reached historically high levels; and EMC, which faces headwinds from the growth of cloud-based computing services. Elsewhere, a profit was realised by selling the holding of Align Technology that had been purchased in October.

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

Purchases	Sales
USA Treasury Bills 0.00% 5/3/2015	USA Treasury Bills 0.00% 28/11/2014
USA Treasury Bills 0.00% 28/11/2014	USA Treasury Bills 0.00% 2/10/2014
USA Treasury Bills 0.00% 19/3/2015	USA Treasury Bills 0.00% 6/11/2014
Discovery Communications class 'A' shares	Toyota Motor
Yum! Brands	eBay
Google	Royal Dutch Shell 'A'
Walgreen	EMC
Trimble Navigation	Air Liquide
Softbank	National Oilwell Varco
Vallourec	GlaxoSmithKline

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	154.79	124.63	1.4509
2011	157.54	128.34	1.3851
2012	154.42	139.40	1.2922
2013	184.76	152.66	0.9166
2014	203.10	181.63	0.7591
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	169.75	134.15	2.6939
2011	174.34	142.90	2.8276
2012	174.95	155.54	2.7386
2013	211.62	173.24	2.5484
2014	236.40	211.06	2.6056
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	174.42	136.92	3.7976
2011	179.82	147.66	4.1321
2012	182.16	161.02	4.0654
2013	221.83	180.69	4.1074
2014	250.18	222.97	4.3822
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.38	98.36	n/a
2013	123.13	101.41	1.4152
2014	135.08	120.62	1.5073
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.38	98.36	n/a
2013	123.86	101.41	1.4151
2014	138.36	123.54	1.5312
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 25 September)	100.60	96.61	n/a
2013	120.75	99.57	1.0657
2014	132.58	118.46	1.0894
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 25 September)	100.60	96.61	n/a
2013	121.40	99.57	1.0600
2014	135.02	120.62	1.1490
<b>Exempt Shares 2 (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 11 June)	104.32	96.39	1.2739
2014	115.12	102.80	1.2855

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	5,951,212	145.10	4,101,352
30/06/2013	6,300,893	175.07	3,599,021
30/06/2014	4,224,318	185.12	2,281,955
31/12/2014	6,447,937	200.20	3,220,687

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Exempt Shares 2 (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	74,547,028	164.00	45,454,203
30/06/2013	64,333,845	200.51	32,084,891
30/06/2014	57,022,577	214.63	26,567,389
31/12/2014	44,144,641	233.06	18,941,560
<b>X Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	303,204,610	170.40	177,931,894
30/06/2013	351,251,051	209.91	167,330,383
30/06/2014	392,919,276	226.39	173,559,221
31/12/2014	442,086,305	246.68	179,213,686
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	19,939	115.97	17,193
30/06/2014	1,721,455	122.63	1,403,737
31/12/2014	2,151,419	133.17	1,615,560
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	56,102	117.36	47,803
30/06/2014	302,814	125.62	241,047
31/12/2014	858,314	136.41	629,231
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	149,715	114.01	131,318
30/06/2014	452,271	120.56	375,152
31/12/2014	490,329	130.70	375,152
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	5,754	115.08	5,000
30/06/2014	2,040,061	122.77	1,661,654
31/12/2014	2,923,495	133.10	2,196,423
<b>Exempt Shares 2 (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	26,205,334	98.85	26,510,938
30/06/2014	23,817,617	104.52	22,786,724
31/12/2014	23,591,848	113.49	20,786,724

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Overseas Government Bonds 6.96% (6.48%)</b>			
US Treasury 0% Bonds 5/3/2015	USD31,500,000	20,201,414	3.87
US Treasury 0% Notes 19/3/2015	USD25,200,000	16,160,937	3.09
<b>United Kingdom 11.04% (11.43%)</b>			
British American Tobacco	349,217	12,222,595	2.34
Centrica	3,665,684	10,223,593	1.96
GlaxoSmithKline	298,917	4,113,098	0.79
John Wood	1,211,467	7,226,401	1.38
Reed Elsevier	885,883	13,629,762	2.61
Vodafone	4,611,415	10,267,315	1.96
<b>Canada 1.95% (2.97%)</b>			
Suncor Energy	360,415	7,359,970	1.41
Yamana Gold	1,101,620	2,842,497	0.54
<b>United States of America 49.00% (42.29%)</b>			
Accenture	297,050	17,014,292	3.26
AGCO	396,902	11,500,422	2.20
Apple	164,750	11,662,726	2.23
CH Robinson Worldwide	195,026	9,367,001	1.79
Citigroup	442,860	15,371,225	2.94
Discovery Communications class 'A' shares	614,376	13,562,175	2.59
Equifax	204,736	10,619,880	2.03
Express Scripts	293,570	15,939,481	3.05
Google class 'A' shares	35,158	11,963,754	2.29
Intuit	168,717	9,975,322	1.91
Kraft Foods class 'A' shares	270,752	10,878,700	2.08
Medtronic	245,058	11,345,671	2.17
Microsoft	454,668	13,544,543	2.59
PNC Financial Services	233,563	13,665,514	2.62
Renaissance	96,271	6,003,161	1.15
TJX	313,676	13,794,301	2.64
Trimble Navigation	610,636	10,393,638	1.99
United Technologies	157,774	11,636,370	2.23
Walgreen	278,821	13,599,062	2.60
Walt Disney	182,535	11,022,925	2.11
Yum! Brands	283,558	13,246,346	2.53
<b>Hong Kong 1.86% (2.33%)</b>			
AIA	2,735,200	9,726,764	1.86
<b>Japan 3.22% (4.33%)</b>			
Japan Tobacco	509,300	9,051,528	1.73
Softbank	202,000	7,789,501	1.49
<b>Belgium 1.94% (2.32%)</b>			
Anheuser-Busch InBev	139,882	10,155,571	1.94
<b>France 1.86% (1.93%)</b>			
L'Oréal	45,787	4,940,966	0.94
Vallourec	273,074	4,804,305	0.92
<b>Germany 7.97% (7.13%)</b>			
Bayer	121,063	10,658,956	2.04
Brenntag	238,395	8,645,530	1.65
Continental	67,723	9,242,241	1.77
SAP	289,763	13,112,476	2.51

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Israel 3.17% (3.08%)</b>			
Bank Hapoalim	2,061,152	6,236,702	1.19
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	279,824	10,318,987	1.98
<b>Netherlands 1.26% (6.16%)</b>			
Wolters Kluwer	336,024	6,610,693	1.26
<b>Switzerland 6.64% (7.11%)</b>			
Nestlé	253,761	11,939,960	2.29
Novartis	174,622	10,402,821	1.99
Roche	70,864	12,340,083	2.36
<b>Portfolio of investments</b>		<b>506,331,175</b>	<b>96.87</b>
<b>Net current assets</b>		<b>16,363,113</b>	<b>3.13</b>
<b>Total Net Assets</b>		<b>522,694,288</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		40,134,102		17,420,967
Revenue	4,283,149		3,491,589	
Expenses	<u>(480,862)</u>		<u>(526,901)</u>	
Net revenue before taxation	3,802,287		2,964,688	
Taxation	<u>(296,983)</u>		<u>(359,479)</u>	
Net revenue after taxation		<u>3,505,304</u>		<u>2,605,209</u>
<b>Total return before distributions</b>		<b>43,639,406</b>		<b>20,026,176</b>
Finance costs: Distributions		(4,348)		(30,471)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>43,635,058</u></b>		<b><u>19,995,705</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		482,500,389		448,322,633
Amounts receivable on issue of shares	25,294,653		26,497,227	
Amounts payable on cancellation of shares	<u>(28,757,824)</u>		<u>(26,953,209)</u>	
		(3,463,171)		(455,982)
Dilution adjustment		22,012		23,959
Stamp Duty Reserve Tax		-		(190)
Change in net assets attributable to Shareholders from investment activities (see above)		43,635,058		19,995,705
<b>Closing net assets attributable to Shareholders</b>		<b><u>522,694,288</u></b>		<b><u>467,886,125</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		506,331,175		470,769,405
Debtors	1,112,262		1,345,626	
Cash and bank balances	<u>15,340,263</u>		<u>11,051,547</u>	
Total other assets		<u>16,452,525</u>		<u>12,397,173</u>
Total assets		522,783,700		483,166,578
<b>LIABILITIES</b>				
Creditors	(89,412)		(330,698)	
Distribution payable on income shares	<u>-</u>		<u>(335,491)</u>	
Total other liabilities		<u>(89,412)</u>		<u>(666,189)</u>
Total liabilities		(89,412)		(666,189)
<b>Net assets attributable to Shareholders</b>		<u><b>522,694,288</b></u>		<u><b>482,500,389</b></u>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		183,689,774		210,212,260
Commissions	77,991		96,112	
Taxes	<u>54,046</u>		<u>111,661</u>	
Total purchase costs		132,037		207,773
<b>Gross purchases total</b>		<b><u>183,821,811</u></b>		<b><u>210,420,033</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		188,608,143		210,043,697
Commissions	(85,921)		(102,011)	
Taxes	<u>(6,934)</u>		<u>(8,707)</u>	
Total sales costs		(92,855)		(110,718)
<b>Total sales net of transaction costs</b>		<b><u>188,515,288</u></b>		<b><u>209,932,979</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON HIGHER INCOME FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,869.34m
Comparative Index:	FTSE All Share TR
Sector:	The Investment Association UK Equity Income

Yield as at 31 December 2014:

Sterling Income Shares	3.98%
Exempt Shares 1 (Net Accumulation)	3.95%
Exempt Shares 2 (Net Accumulation)	3.95%
Institutional Shares (Accumulation)	3.96%
Institutional Shares (Income)	4.04%
X Shares (Net Accumulation)	3.93%
X Shares (Net Income)	4.02%
Institutional Shares W (Net Income)	4.04%
Institutional Shares W (Net Accumulation)	3.95%
Retail Advised Shares B (Net Income)	3.97%
Retail Advised Shares B (Net Accumulation)	3.89%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	5.54%	18.94%	8.54%	0.05%	8.21%
Exempt Shares 1 (Net Accumulation)	6.68%	20.26%	9.71%	1.15%	9.38%
Exempt Shares 2 (Net Accumulation)	6.41%	20.00%	9.44%	0.90%	9.09%
Institutional Shares (Accumulation)	6.15%	19.66%	9.17%	0.65%	8.83%
Institutional Shares (Income)	6.15%	19.62%	9.15%	0.61%	8.84%
X Shares (Net Accumulation)	7.20%	20.86%	10.20%	1.66%	9.91%
X Shares (Net Income)*	7.22%	20.83%	10.18%	1.64%	n/a
Institutional Shares W (Net Income)*	6.41%	19.92%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	6.40%	19.97%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	6.08%	19.51%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	6.08%	19.57%	n/a	n/a	n/a
FTSE All Share TR	1.18%	20.81%	12.30%	-3.46%	14.51%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned +3.09% against a return of -0.40% for the FTSE All-Share Index.

The Fund delivered good performance in the second half of 2014, ahead of the FTSE All-Share Index. In the third quarter, the Fund did not fall as much as the market and managed to deliver a positive return in a flat but volatile fourth quarter. The decision to underweight energy and mining stocks was a positive contribution to performance as the price of oil fell below US\$60 a barrel. The Fund's investments in the IT sector delivered good performance during the period. Sage's new CEO announced a good set of maiden results and that the strategy for growth would be maintained, which was received positively. The Fund's overseas IT companies, Cisco and Microsoft, rose on the back of better expectations for IT spending. The new CEO at Microsoft also detailed how he would deliver further cost savings. Wolters Kluwer and Reed Elsevier both performed well after reporting reassuring trading updates. The stocks that contributed negatively to performance included GlaxoSmithKline and Sanofi, which suffered from more competitive drug pricing in the US. Centrica performed poorly as the lower oil and gas price weighed on profit expectations. Not holding the banks subsector, which rebounded as the US and UK economies strengthened, was also negative for relative performance.

Following a period of outperformance, the position was reduced in Royal Dutch Shell, which, in the fund manager's view, was reflecting the benefits of better capital discipline and not the risks to the oil price. The fund manager also judged the environment of lower oil prices could affect the growth prospects of the major oil companies, so the position in BP was reduced. The fund manager continued to find attractive opportunities in cash-generative IT and the new position in Cisco was one of the stronger performers during the period. Healthcare continues to present attractive opportunities and to increase further the exposure the fund manager added a new position in Johnson & Johnson. The fund manager added to the holding in Imperial Tobacco based on growing confidence about the improving market conditions and the ability of management to improve cash conversion. Also among tobacco companies, profits were taken in Reynolds America. Exposure to the consumer discretionary companies was reduced as the fund manager looked to decrease exposure to some of the more cyclical – more economically sensitive – companies, such as WPP and Berkeley Group. Within financials, the holding in motor insurer Admiral was sold due to worries about pricing in the UK. The fund manager exited Cable & Wireless on concerns about a planned acquisition. The weighting in the world class insurer Prudential was increased, as the fund manager sees potential for significant growth in Asia. Finally, the position in cash generative service companies Compass and Bunzl was increased.

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

#### Purchases

Imperial Tobacco  
Diageo  
Cisco Systems  
BAE Systems  
Johnson & Johnson  
Daily Mail & General Trust  
AstraZeneca  
Compass  
HICL Infrastructure  
Bunzl

#### Sales

Royal Dutch Shell class 'B' shares  
Cable & Wireless Communications  
Sanofi  
British American Tobacco  
Reynolds American  
Nestle  
Capita  
Royal Dutch Shell  
WPP  
Diageo

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	57.59	48.80	3.9736
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	2.4511
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	227.55	192.30	15.5712
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
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	143.20	121.16	9.8113
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	137.14	116.17	9.4071
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	7.5058
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	59.59	50.55	4.1552
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	231.31	195.03	15.7912
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
<b>X Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010 (to 27 April)	206.54	186.81	3.4741
2010 (from 8 October)	105.17	98.84	1.4496
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	4.8974

\*\*X Shares (Net Income) Share Class was closed on 27 April 2010 and was reopened on 8 October 2010 at £1.00.

<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.40	97.80	1.3406
2013	117.75	101.54	4.8275
2014	120.41	106.21	4.7754

\*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*
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	102.68	98.07	1.3429
2013	121.97	102.90	4.9706
2014	132.10	116.53	5.1300
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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

<b>P Shares (Net Accumulation)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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

<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 October)	101.10	96.59	1.0256
2013	116.15	100.26	4.6609
2014	118.31	104.41	4.6175

<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 October)	101.10	96.58	1.0254
2013	119.69	101.30	4.8099
2014	129.27	114.07	4.9399

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	1,646,722,940	51.71	3,184,671,082
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
31/12/2014	1,275,493,521	61.18	2,084,886,091
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	127,546,056	237.31	53,747,062
30/06/2013	97,635,228	275.98	35,377,635
30/06/2014	96,814,517	309.76	31,254,392
31/12/2014	77,477,626	320.95	24,140,416
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	9,293,346	148.77	6,246,652
30/06/2013	8,592,001	172.60	4,978,115
30/06/2014	1,560,855	193.29	807,500
31/12/2014	1,263,582	200.03	631,705
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	272,719,847	141.93	192,145,175
30/06/2013	266,817,544	164.25	162,443,836
30/06/2014	174,979,169	183.44	95,388,877
31/12/2014	174,728,842	189.59	92,161,064

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Institutional Shares (Income)</b>			
		<b>Pence</b>	
30/06/2012	54,103,705	54.11	99,996,972
30/06/2013	28,345,193	59.44	47,690,604
30/06/2014	22,146,550	63.67	34,784,362
31/12/2014	19,258,014	64.82	29,707,739
<b>X Shares (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	84,004,236	243.07	34,559,873
30/06/2013	118,953,113	283.95	41,891,715
30/06/2014	151,443,522	320.30	47,281,377
31/12/2014	95,047,507	332.64	28,573,330
<b>X Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2012	55,862,948	98.59	56,664,306
30/06/2013	81,464,490	109.39	74,468,767
30/06/2014	87,741,783	118.37	74,125,928
31/12/2014	86,183,492	121.12	71,152,547
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	28,047,544	107.43	26,107,988
30/06/2014	87,248,907	115.37	75,626,678
31/12/2014	125,164,054	117.61	106,422,039
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	775,114	111.99	692,144
30/06/2014	13,413,996	125.38	10,699,002
31/12/2014	14,376,379	129.73	11,081,754
<b>P Shares (Net Income)**</b>			
		<b>Pence</b>	
30/06/2013	505,490	105.68	478,319
**P Shares (Net Income) share class closed 23 September 2013.			
<b>P Shares (Net Accumulation)***</b>			
		<b>Pence</b>	
30/06/2013	120,276	109.70	109,638
***P Shares (Net Accumulations) share class closed 26 July 2013.			
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	26,284	108.36	24,256
30/06/2014	137,985	113.50	121,575
31/12/2014	187,102	115.56	161,914
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	36,076	108.32	33,304
30/06/2014	158,671	122.84	129,166
31/12/2014	159,822	126.92	125,925

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 74.98% (79.29%)</b>			
<b>Oil &amp; Gas Producers 1.87% (10.76%)</b>			
BP	8,526,000	35,007,756	1.87
<b>Aerospace &amp; Defence 4.60% (2.50%)</b>			
BAE Systems	10,690,000	50,403,350	2.70
Cobham	10,960,000	35,499,440	1.90
<b>Chemicals 0.07% (1.13%)</b>			
Johnson Matthey	40,000	1,358,800	0.07
<b>Support Services 4.76% (4.79%)</b>			
Berendsen	960,000	10,560,000	0.56
Bunzl	2,860,000	50,450,400	2.70
G4S	2,460,000	6,826,500	0.37
Smiths	60,000	657,600	0.04
WS Atkins	1,500,000	20,460,000	1.09
<b>Beverages 2.07% (1.52%)</b>			
Diageo	2,096,000	38,744,560	2.07
<b>Food Producers 0.81% (0.45%)</b>			
Tate & Lyle	2,500,000	15,050,000	0.81
<b>Tobacco 5.93% (4.74%)</b>			
British American Tobacco	1,800,000	63,000,000	3.37
Imperial Tobacco	1,690,000	47,928,400	2.56
<b>Pharmaceuticals &amp; Biotechnology 8.47% (7.98%)</b>			
AstraZeneca	2,026,000	92,294,430	4.94
GlaxoSmithKline	4,800,000	66,048,000	3.53
<b>Media 6.64% (4.51%)</b>			
Daily Mail & General Trust (A)	2,096,000	17,250,080	0.92
Pearson	960,000	11,414,400	0.61
Reed Elsevier	8,690,000	95,416,200	5.11
<b>Travel &amp; Leisure 7.03% (4.55%)</b>			
Compass	7,218,000	79,470,180	4.25
Domino's Pizza	3,000,000	20,940,000	1.12
Ladbroke's	5,860,000	6,475,300	0.35
National Express	9,860,000	24,413,360	1.31
<b>Mobile Telecommunications 3.65% (3.88%)</b>			
Vodafone	30,626,000	68,188,789	3.65
<b>Electricity 1.96% (1.78%)</b>			
SSE	2,260,000	36,657,200	1.96
<b>Gas, Water &amp; Multiutilities 12.49% (11.84%)</b>			
Centrica	15,260,000	42,560,140	2.28
National Grid	10,496,000	96,342,784	5.15
Severn Trent	2,260,000	45,313,000	2.42
United Utilities	5,382,600	49,304,616	2.64
<b>Banks 0.07% (0.00%)</b>			
Barclays	500,000	1,217,500	0.07

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Nonlife Insurance 2.02% (4.32%)</b>			
Amlin	1,460,000	6,953,980	0.37
Catlin	1,860,000	12,480,600	0.67
Hiscox	2,560,000	18,342,400	0.98
<b>Life Insurance 7.13% (6.02%)</b>			
Old Mutual	100,000	190,500	0.01
Prudential	4,096,000	61,112,320	3.27
Standard Life	18,000,000	72,018,000	3.85
<b>Financial Services 0.59% (1.04%)</b>			
Close Brothers	569,000	8,500,860	0.45
ICAP	561,074	2,538,299	0.14
<b>Software &amp; Computer Services 4.82% (3.10%)</b>			
Sage	19,360,000	90,159,520	4.82
<b>Investment Trusts 3.45% (1.66%)</b>			
Billfinger Berger Global	9,304,985	11,607,969	0.62
HICL Infrastructure	23,956,000	36,532,900	1.95
John Laing Infrastructure	13,342,315	16,384,363	0.88
<b>Overseas Equities 20.22% (16.99%)</b>			
<b>United States of America 7.15% (4.39%)</b>			
Cisco Systems	2,000,000	35,670,996	1.91
Johnson & Johnson	400,000	26,825,717	1.44
Merck & Co	808,000	29,428,456	1.57
Microsoft	1,000,000	29,789,963	1.59
Sysco	469,000	11,935,174	0.64
<b>France 1.02% (2.56%)</b>			
Sanofi	326,000	19,101,315	1.02
<b>Netherlands 6.54% (2.26%)</b>			
Royal Dutch Shell class 'B' shares	2,326,000	51,927,950	2.78
Wolters Kluwer	3,570,205	70,237,629	3.76
<b>Switzerland 5.51% (7.45%)</b>			
Novartis	926,000	55,164,940	2.95
Roche	275,000	47,887,824	2.56
<b>Portfolio of investments</b>		<b>1,844,044,460</b>	<b>98.65</b>
<b>Net current assets</b>		<b>25,295,481</b>	<b>1.35</b>
<b>Total Net Assets</b>		<b>1,869,339,941</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Oil & Gas Equipment, Services & Distribution, Industrial Engineering, Household Goods & Home Construction, Fixed Line Telecommunications and Thailand portfolio categories, which, at 30 June 2014, represented 0.98%, 0.97%, 0.76%, 1.67% and 0.33% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		40,630,624		153,531,247
Revenue	29,479,652		34,514,988	
Expenses	(12,281,880)		(14,128,840)	
Finance costs: Interest	-		-	
Net revenue before taxation	17,197,772		20,386,148	
Taxation	(257,380)		(341,978)	
Net revenue after taxation		<u>16,940,392</u>		<u>20,044,170</u>
<b>Total return before distributions</b>		<b>57,571,016</b>		<b>173,575,417</b>
Finance costs: Distributions		(28,409,200)		(33,224,202)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>29,161,816</u></b>		<b><u>140,351,215</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		1,992,156,804		2,102,863,297
Amounts receivable on issue of shares	86,849,987		106,049,596	
Amounts payable on cancellation of shares	(244,635,833)		(275,395,985)	
		<u>(157,785,846)</u>		<u>(169,346,389)</u>
Dilution adjustment		26,027		109,362
Stamp Duty Reserve Tax		-		(733,196)
Change in net assets attributable to Shareholders from investment activities (see above)		29,161,816		140,351,215
Retained distributions on accumulation shares		5,719,533		7,378,722
Unclaimed distributions		61,607		36,653
<b>Closing net assets attributable to Shareholders</b>		<b><u>1,869,339,941</u></b>		<b><u>2,080,659,664</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		1,844,044,460		1,951,027,913
Debtors	12,498,522		30,100,676	
Cash and bank balances	<u>26,411,922</u>		<u>69,355,945</u>	
Total other assets		<u>38,910,444</u>		<u>99,456,621</u>
Total assets		1,882,954,904		2,050,484,534
<b>LIABILITIES</b>				
Creditors	(5,673,944)		(29,662,634)	
Distribution payable on income shares	<u>(7,941,019)</u>		<u>(28,665,096)</u>	
Total other liabilities		<u>(13,614,963)</u>		<u>(58,327,730)</u>
Total liabilities		(13,614,963)		(58,327,730)
<b>Net assets attributable to Shareholders</b>		<u><b>1,869,339,941</b></u>		<u><b>1,992,156,804</b></u>

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Exempt Shares 1 (Net Accumulation)</b>						
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
<b>Exempt Shares 2 (Net Accumulation)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
Group 1	1.1380	0.1138	1.0242	0.0000	1.0242	1.2245
Group 2	0.2887	0.0289	0.2598	0.7644	1.0242	1.2245
<b>Institutional Shares (Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
Group 1	0.7287	0.0729	0.6558	0.0000	0.6558	0.8115
Group 2	0.7287	0.0729	0.6558	0.0000	0.6558	0.8115
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.7364	0.0736	0.6628	0.0000	0.6628	0.8000
Group 2	0.7364	0.0736	0.6628	0.0000	0.6628	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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	0.6268	0.0627	0.5641	0.0000	0.5641	0.4912
Group 2	0.3368	0.0337	0.3031	0.2610	0.5641	0.4912
<b>Exempt Shares 1 (Net Accumulation)</b>						
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
<b>Exempt Shares 2 (Net Accumulation)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
Group 1	1.9462	0.1946	1.7516	0.0000	1.7516	1.4591
Group 2	1.0974	0.1097	0.9877	0.7639	1.7516	1.4591
<b>Institutional Shares (Income)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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
<b>X Shares (Net Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		537,304,083		414,847,485
Commissions	369,429		219,927	
Taxes	<u>1,944,173</u>		<u>1,819,828</u>	
Total purchase costs		2,313,602		2,039,755
<b>Gross purchases total</b>		<b><u>539,617,685</u></b>		<b><u>416,887,240</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		690,774,418		504,231,895
Commissions	(484,967)		(331,379)	
Taxes	<u>(2,366)</u>		<u>(717)</u>	
Total sales costs		(487,333)		(332,096)
<b>Total sales net of transaction costs</b>		<b><u>690,287,085</u></b>		<b><u>503,899,799</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON INDEX LINKED GILT FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£132.06m
Comparative Index:	FTSE A (Index Linked) British Govt over 5 years TR
Sector:	The Investment Association UK Index Linked Gilts
Distribution Yield as at 31 December 2014:	
Exempt Shares 2 (Gross Accumulation)	0.41%
Institutional Shares (Accumulation)	0.11%
X Shares (Gross Accumulation)	0.61%
X Shares (Net Income)	0.62%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Exempt Shares 2 (Gross Accumulation)	19.89%	0.07%	0.51%	22.77%	8.99%
Institutional Shares (Accumulation)	19.37%	-0.50%	-0.30%	21.80%	8.41%
X Shares (Gross Accumulation)	20.12%	0.27%	0.72%	23.01%	9.21%
X Shares (Net Income)*	19.85%	-0.10%	n/a	n/a	n/a
FTSE A (Index Linked)					
British Govt over 5 years TR	21.38%	0.58%	0.49%	23.32%	9.05%

Source: Lipper as at 31 December 2014 – Institutional Shares (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 six-month period under review, the Institutional Sterling Acc Share Class of the Sub-Fund returned +14.27% against a return of +15.90% from FTSE A (Index Linked) British Govt Over 5 Years TR.

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. Ex-benchmark positions in overseas inflation-protected bonds (approximately 3% of the portfolio) and corporate bonds (3–4% of the portfolio) also affected performance, as returns from these assets were a little lower than from index-linked gilts. US break-even rates fell, in part owing to the perceived disinflationary impact of US dollar strength. Occasional cash balances were also a negative factor.

The Fund saw sizeable inflows over the period. Flows aside, the Fund retained a shorter relative duration stance throughout. In overseas bonds, we increased exposure to Australian index-linked bonds, and reduced exposure to their New Zealand counterparts. Within the corporate index-linked segment, a purchase of Tesco bonds early in the period under review proved ill-timed, as the bonds fell in the wake of an accounting scandal. However, at less than 0.25% of the Fund's value at the time of purchase, it was a small position.

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

Purchases	Sales
Treasury 2.5% Index Linked Gilts 17/7/2024	Treasury 1.25% Index Linked Gilts 22/11/2017
Treasury 2.5% Index Linked Gilts 26/7/2016	Treasury 2.5% Index Linked Gilts 17/7/2024
Treasury 0.125% Index Linked Gilts 22/3/2044	Treasury 1.25% Index Linked Gilts 22/11/2027
Treasury 1.25% Index Linked Gilts 22/11/2017	Treasury 1.25% Index Linked Gilts 22/11/2032
Treasury 1.25% Index Linked Gilts 22/11/2027	Treasury 1.125% Index Linked Gilts 22/11/2037
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	Treasury 0.5% Index Linked Gilts 22/3/2050
Treasury 1.125% Index Linked Gilts 22/11/2037	Treasury 0.75% Index Linked Gilts 22/11/2047
Treasury 0.5% Index Linked Gilts 22/3/2050	Treasury 4.125% Index Linked Gilts 22/7/2030
Treasury 2.5% Index Linked Gilts 16/4/2020	Treasury 0.625% Index Linked Gilts 22/3/2040
Treasury 0.125% Index Linked Gilts 22/3/2068	Treasury 0.75% Index Linked Gilts 22/3/2034

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Exempt Shares 2 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	241.12	211.71	3.3205
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	3.3505
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	232.12	204.52	1.9845
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
<b>X Shares (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	242.72	212.84	3.7932
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	4.0422
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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

\*\*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
<b>Exempt Shares 2 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	106,348,971	290.69	36,584,628
30/06/2013	93,966,232	297.52	31,582,813
30/06/2014	52,091,992	310.27	16,789,110
31/12/2014	59,436,082	355.10	16,738,051
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	15,116,658	276.11	5,474,907
30/06/2013	22,652,814	280.63	8,072,205
30/06/2014	16,922,630	291.05	5,814,308
31/12/2014	42,279,063	332.61	12,711,387
<b>X Shares (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	19,348,985	293.63	6,589,585
30/06/2013	16,663,538	301.13	5,533,642
30/06/2014	17,299,167	314.66	5,497,669
31/12/2014	20,920,021	360.47	5,803,494

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>X Shares (Net Income)</b>		<b>Pence</b>	
30/06/2012	4,850	275.57	1,760
30/06/2013	5,028,969	275.59	1,824,815
30/06/2014	2,107	282.82	745
31/12/2014	9,423,026	323.34	2,914,245

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Exempt Shares 2 (Gross Accumulation)	0.26	0.26
Institutional Shares (Accumulation)	0.57	0.56
X Shares (Gross Accumulation)	0.06	0.06
X Shares (Net Income)	0.06	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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Bonds 90.17% (92.08%)</b>			
Treasury 0.125% Index Linked Gilts 22/11/2019	£4,350,000	4,821,617	3.65
Treasury 0.125% Index Linked Gilts 22/3/2029	£3,600,000	4,430,939	3.36
Treasury 0.125% Index Linked Gilts 22/3/2044	£5,620,000	7,512,302	5.69
Treasury 0.125% Index Linked Gilts 22/3/2068	£3,625,000	5,660,204	4.29
Treasury 0.25% Index Linked Gilts 22/3/2052	£3,900,000	5,786,672	4.38
Treasury 0.375% Index Linked Gilts 22/3/2062	£3,700,000	6,426,408	4.87
Treasury 0.5% Index Linked Gilts 22/3/2050	£3,600,000	6,408,663	4.85
Treasury 0.625% Index Linked Gilts 22/3/2040	£2,780,000	4,534,746	3.43
Treasury 0.625% Index Linked Gilts 22/11/2042	£3,820,000	6,558,698	4.97
Treasury 0.75% Index Linked Gilts 22/3/2034	£2,630,000	3,817,820	2.89
Treasury 0.75% Index Linked Gilts 22/11/2047	£3,310,000	6,310,809	4.78
Treasury 1.125% Index Linked Gilts 22/11/2037	£2,550,000	4,761,599	3.61
Treasury 1.25% Index Linked Gilts 22/11/2027	£2,930,000	5,004,495	3.79
Treasury 1.25% Index Linked Gilts 22/11/2032	£2,100,000	3,478,471	2.63
Treasury 1.25% Index Linked Gilts 22/11/2055	£2,620,000	6,760,681	5.12
Treasury 1.875% Index Linked Gilts 22/11/2022	£5,150,000	8,035,954	6.08
Treasury 2% Index Linked Gilts 26/1/2035	£2,510,000	5,861,540	4.44
Treasury 2.5% Index Linked Gilts 26/7/2016	£1,700,000	5,600,097	4.24
Treasury 2.5% Index Linked Gilts 16/4/2020	£1,710,000	6,312,080	4.78
Treasury 2.5% Index Linked Gilts 17/7/2024	£2,090,000	7,295,720	5.52
Treasury 4.125% Index Linked Gilts 22/7/2030	£1,080,000	3,694,761	2.80
<b>Overseas Government Bonds 4.62% (2.37%)</b>			
New Zealand (Government) 2% Notes 20/9/2025	NZD1,700,000	875,081	0.66
US Treasury 0.875% Notes 28/2/2017	USD2,060,000	1,324,451	1.00
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD3,200,000	3,907,109	2.96
<b>Sterling Denominated Corporate Bonds 3.23% (4.59%)</b>			
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£335,000	626,571	0.48
Dwr Cymru Financing 1.859% European Medium Term Notes 31/3/2048	£650,000	1,047,043	0.79
National Grid 1.25% Senior European Medium Term Index Linked Bonds 6/10/2021	£600,000	661,681	0.50
Network Rail Infrastructure Finance 1.125% European Medium Term Notes 22/11/2047	£480,000	923,842	0.70
Scotland Gas Networks 2.127% European Medium Term Notes 21/10/2022	£500,000	753,233	0.57
Tesco 1.9682% Index Linked Medium Term Notes 24/3/2036	£200,000	252,241	0.19
<b>Derivatives -0.02% (0.01%)</b>			
<b>AUD Forward Foreign Currency Contracts 0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	AUD571,200	299,047	0.23
Forward Foreign Currency Contracts 12/02/15	£(300,612)	(300,612)	(0.23)
Forward Foreign Currency Contracts 12/02/15	AUD1,779,954	(931,880)	(0.71)
Forward Foreign Currency Contracts 12/02/15	£959,438	959,438	0.73
<b>EUR Forward Foreign Currency Contracts 0.00% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	EUR592,785	460,346	0.35
Forward Foreign Currency Contracts 12/02/15	£(466,620)	(466,620)	(0.35)
Forward Foreign Currency Contracts 12/02/15	EUR(567,641)	(440,819)	(0.33)
Forward Foreign Currency Contracts 12/02/15	£446,056	446,056	0.33
<b>NZD Forward Foreign Currency Contracts -0.02% (0.01%)</b>			
Forward Foreign Currency Contracts 12/02/15	NZD(1,606,346)	(802,234)	(0.61)
Forward Foreign Currency Contracts 12/02/15	£774,594	774,594	0.59
<b>USD Forward Foreign Currency Contracts -0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	USD(2,825,103)	(1,812,382)	(0.87)
Forward Foreign Currency Contracts 12/02/15	£1,783,152	1,783,152	0.86
Forward Foreign Currency Contracts 12/02/15	USD(2,069,435)	(1,327,599)	(1.01)
Forward Foreign Currency Contracts 12/02/15	£1,334,249	1,334,249	1.01

**Portfolio Statement (continued)**

as at 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Portfolio of investments*</b>		<b>129,420,264</b>	<b>98.01</b>
<b>Net current assets</b>		<b>2,637,928</b>	<b>2.00</b>
<b>Total Net Assets</b>		<b>132,058,192</b>	<b>100.01</b>
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 31 December 2014

Standard & Poor's Ratings:	Market Value (£'000's) 31/12/2014	Total Net Assets (%) 31/12/2014	Total Net Assets (%) 30/06/2014
AAA	119,998	90.87	93.90
AA+	6,106	4.62	0.00
AA	753	0.57	1.90
A	1,047	0.79	1.94
A-	879	0.67	0.76
Not rated (by S&P)	662	0.50	0.54
Derivatives	(25)	(0.02)	0.01
<b>Portfolio of investments</b>	<b>129,420</b>	<b>98.00</b>	<b>99.05</b>
<b>Net current assets</b>	<b>2,638</b>	<b>2.00</b>	<b>0.95</b>
<b>Total Net Assets</b>	<b>132,058</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains/(losses)		15,209,853		(1,140,292)
Revenue	422,467		1,083,348	
Expenses	<u>(160,337)</u>		<u>(188,786)</u>	
Net revenue before taxation	262,130		894,562	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>262,130</u>		<u>894,562</u>
<b>Total return before distributions</b>		<b>15,471,983</b>		<b>(245,730)</b>
Finance costs: Distributions		(262,130)		(894,577)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>15,209,853</u></b>		<b><u>(1,140,307)</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		86,315,896		138,311,553
Amounts receivable on issue of shares	75,554,436		13,561,525	
Amounts payable on cancellation of shares	<u>(45,350,063)</u>		<u>(55,691,877)</u>	
		30,204,373		(42,130,352)
Dilution adjustment		134,026		92,548
Change in net assets attributable to Shareholders from investment activities (see above)		15,209,853		(1,140,307)
Retained distributions on accumulation shares		194,044		609,303
<b>Closing net assets attributable to Shareholders</b>		<b><u>132,058,192</u></b>		<b><u>95,742,745</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		129,484,973		85,499,622
Debtors	1,102,084		1,253,177	
Cash and bank balances	<u>1,612,236</u>		<u>399,276</u>	
Total other assets		<u>2,714,320</u>		<u>1,652,453</u>
Total assets		132,199,293		87,152,075
<b>LIABILITIES</b>				
Investment liabilities		(64,709)		(6,804)
Creditors	(55,494)		(829,359)	
Distribution payable on income shares	<u>(20,898)</u>		<u>(16)</u>	
Total other liabilities		<u>(76,392)</u>		<u>(829,375)</u>
Total liabilities		(141,101)		(836,179)
<b>Net assets attributable to Shareholders</b>		<u><b>132,058,192</b></u>		<u><b>86,315,896</b></u>

\*Gross of investment liabilities.

## Distribution Statement

for the six months ended 31 December 2014

### 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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
Institutional Shares (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	0.8963	0.1793	0.7170	0.0000	0.7170	1.7155
Group 2	0.6134	0.1227	0.4907	0.2263	0.7170	1.7155
			<b>Gross Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
Exempt Shares 2 (Gross Accumulation)						
Group 1			0.6721	0.0000	0.6721	2.0136
Group 2			0.0000	0.6721	0.6721	2.0136
X Shares (Gross Accumulation)						
Group 1			1.0201	0.0000	1.0201	2.3447
Group 2			0.6806	0.3395	1.0201	2.3447

**BNY MELLON INVESTMENT FUNDS – NEWTON INTERNATIONAL BOND FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£559.68m
Comparative Index:	JP Morgan Global Government Bond Index (GBI) (unhedged)
Sector:	The Investment Association Global Bonds

Distribution Yield as at 31 December 2014:

Sterling Income Shares	1.32%
Euro Accumulation Shares	0.82%
Institutional Shares (Accumulation)	1.89%
Institutional Shares (Income)	1.89%
Exempt Shares 2 (Gross Accumulation)	2.09%
Institutional Shares W (Net Income)	1.89%
Institutional Shares W (Net Accumulation)	1.89%
P Shares (Net Accumulation)	1.39%
Retail Advised Shares B (Net Income)	1.57%
Retail Advised Shares B (Net Accumulation)	1.57%

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.

### Fund Ratings

Gold/V4 Rating by Standard & Poor's Fund Manager Ratings.

### Statutory Performance Data

From	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	5.34%	-8.46%	-1.33%	6.17%	10.99%
Euro Accumulation Shares	4.66%	-8.43%	-2.07%	6.14%	10.02%
Institutional Shares (Accumulation)	5.82%	-8.04%	-0.88%	6.65%	11.48%
Institutional Shares (Income)	5.81%	-8.03%	-0.88%	6.65%	11.49%
Exempt Shares 2 (Gross Accumulation)	6.37%	-7.58%	-0.32%	7.23%	12.38%
Institutional Shares W (Net Income)*	5.81%	-8.03%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.82%	-8.04%	n/a	n/a	n/a
P Shares (Net Accumulation)*	5.40%	-8.41%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.53%	-8.29%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.54%	-8.27%	n/a	n/a	n/a
JP Morgan Global GBI Unhedged TR	6.93%	-6.27%	-3.15%	8.02%	9.77%

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned +4.39% against a return of +5.09% from the JP Morgan Global GBI Unhedged TR.

An overweight position in the 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). US Treasury Inflation-Protected Securities (TIPS) and French index-linked government bond positions both underperformed conventional sovereign issuance, which negated some of the benefit of long-duration exposure in Europe and the US. An underweight sterling duration stance for much of the period was also unhelpful, as Gilts rallied strongly. In October (and again in December), there was a further rally in core government bonds amid a sharp rise in volatility and risk aversion. Long US dollar and euro duration positions proved beneficial as US Treasuries and German Bunds rallied in response to rising investor anxiety over subdued global growth and low inflation. Overweight positions in some of the smaller high-quality bond markets (such as Australia and Sweden) also aided returns as yields fell sharply. However, underweight exposure to UK Gilts (although latterly reduced) and Japanese government bonds (in which the Fund retained a zero-duration position) detracted from relative returns – both markets performed well, aided respectively by the weak European economic outlook and further Bank of Japan (BoJ) balance-sheet expansion. In November, the rally in Japanese government bonds in the wake of the BoJ's quantitative easing (creating new money for use in the economy) further affected the Fund's performance.

The Fund increased headline duration to move further overweight US and European interest-rate risk, while the nil exposure to Japanese government bonds remained. In the US, duration was increased with the purchase of Treasury 2026 and 2043 issuance. The Fund also increased Australian government bond exposure to benefit from weak economic data from China. In light of further economic contraction in Italy, the Fund reduced exposure to Italian government bonds but lengthened the maturity profile of its Polish government bond holdings. Divergent interest rate and growth expectations between the US and the other developed markets supported an aggressive shift in favour of the US dollar over the period (from near neutral as at end June, to circa 10% overweight at year end), at the expense of the Japanese yen, sterling and the euro in which the Fund's net exposure was underweight versus the index.

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

#### Purchases

US Treasury 6% Notes 15/2/2026  
 US Treasury 2.875% Notes 15/5/2043  
 US Treasury 1.25% Notes 30/11/2018  
 Treasury 3.25% Stock 22/1/2044  
 Spain (Kingdom) 4.4% Bonds 31/10/2023  
 Poland (Government) 5.75% Bonds 23/9/2022  
 Treasury 1.75% Gilts 22/7/2019  
 Treasury of Victoria 5.5% Guranteed Senior Notes 17/11/2026  
 France (Government) 6% Bonds 25/10/2025  
 Poland 5.75% Bonds 25/10/2021

#### Sales

US Treasury 1% Notes 31/3/2017  
 US Treasury 2.875% Notes 15/5/2043  
 US Treasury 6% Notes 15/2/2026  
 UK Treasury 1.25% Bonds 2017  
 France 4.25% Bonds 25/10/2023  
 US Treasury 1.25% Notes 30/11/2018  
 Poland 5.75% Bonds 25/10/2021  
 Germany 2.50% Bonds 04/07/2044  
 UK Treasury Gilt 1.25% 22/07/2018  
 Canada 1.00% Bonds 01/11/2015

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	<b>Highest Price</b>	<b>Lowest Price</b>	<b>Net Revenue per share*</b>
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Euro Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 2 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 22 June)	102.15	98.27	0.5702
2013	102.25	92.57	0.4213
**P Shares (Net Income) share class closed 23 September 2013.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	100.81	97.72	0.7459
2013	101.54	88.93	1.1323
2014	93.82	87.88	1.1502
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	100.81	97.72	0.7460
2013	102.33	90.19	1.1445
2014	96.26	90.01	1.1774
<b>P Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 16 October)	100.84	97.71	0.2195
2013	102.23	89.80	0.7554
2014	95.54	89.58	0.8047

\*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*
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 October)	101.06	97.93	0.5672
2013	101.90	89.15	0.8899
2014	94.11	88.21	0.9221
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 3 October)	101.06	97.93	0.5674
2013	102.50	90.15	0.8973
2014	96.01	89.96	0.9386

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	621,319,252	217.48	285,692,083
30/06/2013	508,256,761	209.80	242,256,803
30/06/2014	338,696,087	194.00	174,582,315
31/12/2014	310,967,359	201.80	154,098,865
<b>Euro Accumulation Shares</b>		<b>Cents</b>	
30/06/2012	13,335,461	163.53	10,113,064
30/06/2013	688,343	149.21	538,303
30/06/2014	287,177	148.08	242,208
31/12/2014	165,300	159.37 **	133,648
**Euro/Sterling exchange rate at close fo business 31 December 2014:		1.288550	
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	47,535,892	262.03	18,141,324
30/06/2013	39,379,856	256.33	15,362,675
30/06/2014	41,007,882	239.72	17,106,483
31/12/2014	40,247,037	251.14	16,025,935
<b>Institutional Shares (Income)</b>		<b>Pence</b>	
30/06/2012	138,579,160	229.99	60,253,561
30/06/2013	159,340,966	221.85	71,825,101
30/06/2014	166,765,603	205.11	81,304,165
31/12/2014	168,951,885	213.36	79,187,046
<b>Exempt Shares 2 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	224,050	176.14	127,197
30/06/2013	286,528	173.25	165,382
30/06/2014	305,269	162.80	187,514
31/12/2014	290,643	171.04	169,930
<b>P Shares (Net Income)***</b>		<b>Pence</b>	
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)**

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	22,018,001	95.85	22,970,726
30/06/2014	23,746,006	88.62	26,794,585
31/12/2014	28,313,838	92.18	30,714,386
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	1,645,011	97.22	1,692,113
30/06/2014	5,906,151	90.91	6,496,355
31/12/2014	10,639,885	95.25	11,170,206
<b>P Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	8,524	97.00	8,788
30/06/2014	7,939	90.35	8,787
31/12/2014	8,300	94.46	8,787
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,839	96.23	5,029
30/06/2014	66,826	88.96	75,121
31/12/2014	69,531	92.53	75,142
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	15,967	97.29	16,412
30/06/2014	18,837	90.75	20,756
31/12/2014	25,687	94.95	27,053

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
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)	1.06	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.

**Portfolio Statement**

as at 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Bonds 6.32% (8.96%)</b>			
Treasury 1.75% Bonds 7/9/2022	£5,890,000	5,969,957	1.07
Treasury 1.75% Gilts 22/7/2019	£11,180,000	11,463,693	2.05
Treasury 3.25% Stock 22/1/2044	£15,520,000	17,886,412	3.20
<b>USA Government Bonds 23.88% (19.21%)</b>			
US Treasury 0.875% Notes 28/2/2017	USD13,210,000	8,493,202	1.52
US Treasury 1% Notes 31/3/2017	USD21,080,000	13,579,524	2.43
US Treasury 1.125% Notes 31/5/2019	USD27,290,000	17,192,984	3.07
US Treasury 1.25% Notes 30/11/2018	USD23,200,000	14,769,681	2.64
US Treasury 1.625% Notes 15/8/2022	USD22,700,000	14,148,830	2.53
US Treasury 2.875% Notes 15/5/2043	USD42,420,000	27,826,010	4.97
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD17,800,000	21,733,291	3.88
US Treasury 6% Notes 15/2/2026	USD18,080,000	15,894,645	2.84
<b>Australia Government Bonds 3.55% (0.00%)</b>			
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD4,630,000	3,534,602	0.63
Treasury of Victoria 5.5% Guranteed Senior Notes 17/11/2026	AUD25,490,000	16,348,335	2.92
<b>Austria Government Bonds 1.57% (0.00%)</b>			
Austria (Government) 4.85% Bond 15/3/2026	EUR7,900,000	8,771,862	1.57
<b>Bermuda Government Bonds 0.29% (0.26%)</b>			
Bermuda (Government) 4.138% Bonds 3/1/2023	USD2,500,000	1,598,794	0.29
<b>Brazil Government Bonds 2.59% (2.67%)</b>			
Brazil Letras do Tesouro Nacional 0% Notes 1/1/2018	BRL86,000,000	14,486,466	2.59
<b>Czech Republic Government Bonds 1.04% (0.00%)</b>			
Czech Republic International 3.875% European Medium Term Notes 24/5/2022	EUR6,170,000	5,828,728	1.04
<b>Denmark Government Bonds 1.29% (0.00%)</b>			
Kommunekredit 0.875% European Medium Term Notes 29/7/2016	USD11,200,000	7,208,959	1.29
<b>France Government Bonds 8.18% (3.42%)</b>			
Agence Francaise de Development 1.125% Bonds 3/10/2016	USD10,800,000	6,969,757	1.25
Caisse d'Amortissement de la Dette Sociale 1.375% Bonds 29/1/2018	USD12,400,000	7,972,100	1.42
France (Government) 0.25% Bonds 25/7/2024	EUR10,620,000	8,728,306	1.56
France (Government) 3.25% Bonds 25/5/2045	EUR7,460,000	7,591,595	1.36
France (Government) 6% Bonds 25/10/2025	EUR12,290,000	14,511,366	2.59
<b>Germany Government Bonds 1.50% (1.52%)</b>			
Germany (Federal Republic) 6.5% Bonds 4/7/2027	EUR6,440,000	8,423,237	1.50
<b>Ireland Government Bonds 2.18% (1.28%)</b>			
Ireland (Republic) 5.4% Bonds 13/3/2025	EUR11,450,000	12,228,765	2.18
<b>Italy Government Bonds 1.37% (4.25%)</b>			
Italy (Republic) 4.75% Bonds 1/9/2044	EUR7,610,000	7,658,329	1.37
<b>Norway Government Bonds 1.17 (0.00%)</b>			
Kommunalbanken 0.36235% Bonds 2/5/2019	USD10,200,000	6,541,487	1.17
<b>South Korea Government Bonds 1.07% (1.03%)</b>			
Korea (Republic) 2.125% Bonds 10/6/2024	EUR7,330,000	5,995,861	1.07
<b>Mexico Government Bonds 2.00% (1.74%)</b>			
Mexican Bonos 4.75% Bonds 14/6/2018	MXN121,360,000	5,269,875	0.94
Mexican Bonos 6.5% Bonds 9/6/2022	MXN129,560,000	5,910,492	1.06

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Morocco Government Bonds 0.58% (0.00%)</b>			
Morocco (Government) 3.5% Bond 19/6/2024	EUR2,930,000	2,327,342	0.42
Morocco (Government) 4.5% Bond 5/10/2020	EUR1,060,000	909,381	0.16
<b>Netherlands Government Bonds 3.86% (3.48%)</b>			
Netherlands (Kingdom) 1% Bond 24/2/2017	USD23,830,000	15,311,018	2.74
Netherlands (Kingdom) 2% Bonds 15/7/2024	EUR7,200,000	6,265,722	1.12
<b>New Zealand Government Bonds 1.24% (1.16%)</b>			
New Zealand (Government) 2% Notes 20/9/2025	NZD13,510,000	6,954,323	1.24
<b>Poland Government Bonds 2.29% (1.51%)</b>			
Poland (Government) 5.75% Bonds 23/9/2022	PLN57,620,000	12,840,058	2.29
<b>Singapore Government Bonds 1.63% (1.56%)</b>			
Singapore (Government) 2.5% Bond 1/6/2019	SGD18,020,000	9,109,990	1.63
<b>Slovenia Government Bonds 0.24% (0.19%)</b>			
Slovenia (Government) 2.25% Bonds 25/3/2022	EUR1,680,000	1,350,298	0.24
<b>Spain Government Bonds 3.24% (2.08%)</b>			
Spain (Kingdom) 4.4% Bonds 31/10/2023	EUR11,540,000	11,139,183	1.99
Spain (Kingdom) 5.15% Bond 31/10/2044	EUR6,270,000	6,982,276	1.25
<b>Sweden Government Bonds 1.88% (3.34%)</b>			
Sweden (Kingdom) 1.5% Bonds 13/11/2023	SEK83,520,000	7,251,426	1.30
Sweden (Kingdom) 2.25% Bonds 1/6/2032	SEK35,200,000	3,246,717	0.58
<b>Sterling Denominated Corporate Bonds 2.55% (4.41%)</b>			
Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044	GBP2,730,000	3,224,922	0.58
KFW 2.75% Guaranteed European Medium Term Notes 7/9/2015	GBP10,880,000	11,043,588	1.97
<b>Non-Sterling Denominated Corporate Bonds 24.11% (21.70%)</b>			
Asian Development Bank 0.1695% Guranteed Medium Term Notes 29/5/2015	USD14,650,000	9,394,413	1.68
Asian Development Bank 0.5% Guranteed Medium Term Notes 25/1/2017	TRY9,020,000	2,080,827	0.37
Asian Development Bank 2.625% Bonds 9/2/2015	USD7,180,000	4,614,885	0.82
Banca Monte dei Paschi di Siena SpA 3.5% Bond 20/3/2017	EUR8,200,000	6,666,656	1.19
Caisse Centrale du Credit Immobilier de France SA 0.25% European Medium Term Notes 25/11/2018	EUR7,300,000	5,674,605	1.01
Dexia Credit Local 2.25% Bonds 30/1/2019	USD8,740,000	5,676,014	1.01
Dexia Credit Local SA 1% European Medium Term Notes 11/7/2016	EUR8,550,000	6,717,889	1.20
Eurofima 0.3376% European Medium Term Notes 10/6/2016	USD11,400,000	7,305,690	1.31
European Investment Bank 2.125% Notes 4/2/2019	CAD11,500,000	6,441,633	1.15
European Investment Bank 4.25% European Medium Term Notes 19/5/2017	NOK60,770,000	5,569,035	1.00
FMS Wertmanagement 1.625% Bonds 20/11/2018	USD9,930,000	6,379,922	1.14
FMS Wertmanagement AoER 3% European Medium Term Notes 8/9/2021	EUR13,300,000	12,099,219	2.16
German Postal Pensions Securitisation 2 4.25% Bonds 18/1/2017	EUR8,800,000	7,400,876	1.32
ING Bank 3.075% Bonds 3/3/2015	AUD4,500,000	2,362,469	0.42
Inter-American Development Bank 0.2699% Guranteed Medium Term Notes 12/9/2018	USD10,800,000	6,956,883	1.24
International Bank for Reconstruction & Development 0.1608% Bonds 14/1/2015	USD8,780,000	5,631,081	1.01
International Bank for Reconstruction & Development 3.375% Medium Term Notes 13/8/2017	NZD14,250,000	7,050,442	1.26
KFW 1% Bonds 11/6/2018	USD7,712,000	4,881,720	0.87
Landwirtschaftliche Rentenbank 3.275% Medium Term Notes 27/1/2016	AUD11,600,000	6,112,606	1.09
Oesterreichische Kontrollbank AG 1.75% Bonds 5/10/2015	USD12,620,000	8,175,356	1.46
Svensk Exportkredit 2.875% Bonds 14/11/2023	USD6,509,000	4,122,262	0.74
Svensk Exportkredit 5.125% Bonds 1/3/2017	USD5,326,000	3,714,831	0.66

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Derivatives 0.38% (-0.19%)</b>			
<b>AUD Forward Foreign Currency Contracts 0.08% (-0.02%)</b>			
Forward Foreign Currency Contracts 11/03/15	AUD(16,741,635)	(8,750,137)	(1.56)
Forward Foreign Currency Contracts 11/03/15	£8,903,936	8,903,936	1.59
Forward Foreign Currency Contracts 11/03/15	AUD(11,428,000)	(5,972,927)	(1.07)
Forward Foreign Currency Contracts 11/03/15	JPY1,139,969,742	6,104,417	1.09
Forward Foreign Currency Contracts 11/03/15	AUD(12,280,829)	(6,418,664)	(1.14)
Forward Foreign Currency Contracts 11/03/15	USD10,224,085	6,560,429	1.17
<b>BRL Forward Foreign Currency Contracts 0.05% (-0.04%)</b>			
Forward Foreign Currency Contracts 11/03/15	BRL(20,987,000)	(4,980,129)	(0.89)
Forward Foreign Currency Contracts 11/03/15	£5,066,264	5,066,264	0.91
Forward Foreign Currency Contracts 11/03/15	BRL(38,817,000)	(9,211,115)	(1.65)
Forward Foreign Currency Contracts 11/03/15	USD14,672,841	9,415,037	1.68
<b>CAD Forward Foreign Currency Contracts 0.00% (-0.05%)</b>			
Forward Foreign Currency Contracts 11/03/15	CAD 8,871,964	4,908,053	0.88
Forward Foreign Currency Contracts 11/03/15	£(4,974,065)	(4,974,065)	(0.89)
Forward Foreign Currency Contracts 11/03/15	CAD6,568,841	(3,633,944)	(0.65)
Forward Foreign Currency Contracts 11/03/15	USD5,768,213	3,701,256	0.66
<b>EUR Forward Foreign Currency Contracts 0.03% (-0.10%)</b>			
Forward Foreign Currency Contracts 11/03/15	EUR46,371,934	36,026,785	6.44
Forward Foreign Currency Contracts 11/03/15	£(36,605,985)	(36,605,985)	(6.54)
Forward Foreign Currency Contracts 11/03/15	EUR5,939,000	4,614,064	0.82
Forward Foreign Currency Contracts 11/03/15	USD(7,405,262)	(4,751,692)	(0.85)
Forward Foreign Currency Contracts 11/03/15	EUR(25,536,325)	(19,839,407)	(3.54)
Forward Foreign Currency Contracts 11/03/15	£20,082,416	20,082,416	3.59
Forward Foreign Currency Contracts 11/03/15	EUR(43,793,463)	(34,023,546)	(6.08)
Forward Foreign Currency Contracts 11/03/15	USD53,950,261	34,617,953	6.19
<b>JPY Forward Foreign Currency Contracts 0.15% (-0.27%)</b>			
Forward Foreign Currency Contracts 11/03/15	JPY33,886,668,864	181,459,520	32.42
Forward Foreign Currency Contracts 11/03/15	£(180,649,222)	(180,649,222)	(32.28)
Forward Foreign Currency Contracts 11/03/15	JPY(16,219,872,445)	(86,855,698)	(15.52)
Forward Foreign Currency Contracts 11/03/15	USD135,493,652	86,941,429	15.53
<b>MXN Forward Foreign Currency Contracts -0.01% (-0.03%)</b>			
Forward Foreign Currency Contracts 11/03/15	MXN17,655,024	765,453	0.14
Forward Foreign Currency Contracts 11/03/15	USD(1,243,987)	(798,222)	(0.14)
Forward Foreign Currency Contracts 11/03/15	MXN27,890,817	1,209,237	0.22
Forward Foreign Currency Contracts 11/03/15	£(1,256,119)	(1,256,119)	(0.22)
Forward Foreign Currency Contracts 11/03/15	MXN(113,352,000)	(4,914,501)	(0.88)
Forward Foreign Currency Contracts 11/03/15	USD7,566,536	4,855,175	0.87
<b>NOK Forward Foreign Currency Contracts 0.04% (0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	NOK(77,778,693)	(6,644,404)	(1.19)
Forward Foreign Currency Contracts 11/03/15	£6,998,394	6,998,394	1.25
Forward Foreign Currency Contracts 11/03/15	NOK14,035,802	1,199,037	0.21
Forward Foreign Currency Contracts 11/03/15	USD(1,975,996)	(1,267,926)	(0.23)
<b>NZD Forward Foreign Currency Contracts -0.04% (0.04%)</b>			
Forward Foreign Currency Contracts 11/03/15	NZD(30,183,000)	(15,042,341)	(2.69)
Forward Foreign Currency Contracts 11/03/15	£14,815,538	14,815,538	2.65
Forward Foreign Currency Contracts 11/03/15	NZD(2,565,403)	1,278,524	0.23
Forward Foreign Currency Contracts 11/03/15	USD(1,970,189)	(1,264,200)	(0.23)

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>PLN Forward Foreign Currency Contracts 0.12% (0.00%)</b>			
Forward Foreign Currency Contracts 11/03/15	PLN(21,890,353)	(3,943,096)	(0.70)
Forward Foreign Currency Contracts 11/03/15	£4,123,975	4,123,976	0.74
Forward Foreign Currency Contracts 11/03/15	PLN13,141,460	2,367,163	0.42
Forward Foreign Currency Contracts 11/03/15	USD(3,874,685)	(2,486,247)	(0.44)
Forward Foreign Currency Contracts 11/03/15	PLN(62,886,000)	(11,327,617)	(2.02)
Forward Foreign Currency Contracts 11/03/15	USD18514419	11,880,040	2.12
<b>SEK Forward Foreign Currency Contracts 0.04% (0.06%)</b>			
Forward Foreign Currency Contracts 11/03/15	SEK(85,768,043)	(7,031,870)	(1.26)
Forward Foreign Currency Contracts 11/03/15	£7,302,004	7,302,004	1.30
Forward Foreign Currency Contracts 11/03/15	SEK(5,488,995)	(450,027)	(0.08)
Forward Foreign Currency Contracts 11/03/15	USD729,910	468,357	0.08
<b>SGD Forward Foreign Currency Contracts 0.01% (0.00%)</b>			
Forward Foreign Currency Contracts 11/03/15	SGD(19,103,000)	(9,239,490)	(1.65)
Forward Foreign Currency Contracts 11/03/15	USD14,517,656	9,315,461	1.66
<b>TRY Forward Foreign Currency Contracts 0.01% (0.01%)</b>			
Forward Foreign Currency Contracts 11/03/15	TRY(7,042,000)	(1,905,065)	(0.34)
Forward Foreign Currency Contracts 11/03/15	USD1,973,969	1,973,969	0.35
<b>USD Forward Foreign Currency Contracts -0.10% (0.22%)</b>			
Forward Foreign Currency Contracts 11/03/15	USD(225,012,321)	(144,382,357)	(25.80)
Forward Foreign Currency Contracts 11/03/15	£143,790,369	143,790,369	25.69
Forward Foreign Currency Contracts 11/03/15	USD22,483,247	14,426,695	2.58
Forward Foreign Currency Contracts 11/03/15	£(14,404,990)	(14,404,990)	(2.57)
<b>Portfolio of investments*</b>		<b>559,668,651</b>	<b>100.00</b>
<b>Net current assets</b>		<b>10,814</b>	<b>0.00</b>
<b>Total Net Assets</b>		<b>559,679,465</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holding in the Azerbaijan Government Bonds, Belgium Government Bonds, Bulgaria Government Bonds, Canada Government Bonds, Non-Sterling Denominated Floating Rate Notes and PHP Forward Foreign Currency Contracts portfolio categories, which, at 30 June 2014, represented 0.54%, 1.91%, 1.01%, 2.16%, 9.84% & -0.02%, 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 31 December 2014

<b>Standard &amp; Poor's Ratings:</b>	<b>Market Value (£'000's) 31/12/2014</b>	<b>Total Net Assets (%) 31/12/2014</b>	<b>Total Net Assets (%) 30/06/2014</b>
AAA	141,817,990	25.34	44.15
AA	167,659,681	29.96	10.86
A	26,096,709	4.66	5.09
BBB	49,868,333	8.91	7.07
Not rated (by S&P)	172,079,990	30.75	32.06
Derivatives	2,145,948	0.38	(0.19)
<b>Portfolio of investments</b>	<b>559,668,651</b>	<b>100.00</b>	<b>99.04</b>
<b>Net current assets</b>	<b>10,814</b>	<b>0.00</b>	<b>0.96</b>
<b>Total Net Assets</b>	<b>559,679,465</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains/(losses)		22,556,020		(56,583,354)
Revenue	6,748,230		6,671,199	
Expenses	(2,541,939)		(3,235,500)	
Net revenue before taxation	<u>4,206,291</u>		<u>3,435,699</u>	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>4,206,291</u>		<u>3,435,699</u>
<b>Total return before distributions</b>		<b>26,762,311</b>		<b>(53,147,655)</b>
Finance costs: Distributions		(4,198,921)		(3,464,434)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>22,563,390</u></b>		<b><u>(56,612,089)</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		576,807,777		731,962,253
Amounts receivable on issue of shares	10,209,095		43,219,395	
Amounts payable on cancellation of shares	<u>(50,265,677)</u>		<u>(91,966,485)</u>	
		(40,056,582)		(48,747,090)
Dilution adjustment		-		17,373
Change in net assets attributable to Shareholders from investment activities (see above)		22,563,390		(56,612,089)
Retained distributions on accumulation shares		363,338		237,755
Unclaimed distributions		1,542		783
<b>Closing net assets attributable to Shareholders</b>		<b><u>559,679,465</u></b>		<b><u>626,858,985</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		561,597,232		575,417,544
Debtors	4,633,499		16,749,823	
Cash and bank balances	<u>1,056,089</u>		<u>5,697,290</u>	
Total other assets		<u>5,689,588</u>		<u>22,447,113</u>
Total assets		567,286,820		597,864,657
<b>LIABILITIES</b>				
Investment liabilities		(1,928,581)		(4,164,558)
Creditors	(2,767,518)		(14,718,584)	
Distribution payable on income shares	<u>(2,911,256)</u>		<u>(2,173,738)</u>	
Total other liabilities		<u>(5,678,774)</u>		<u>(16,892,322)</u>
Total liabilities		(7,607,355)		(21,056,880)
<b>Net assets attributable to Shareholders</b>		<u><b>559,679,465</b></u>		<u><b>576,807,777</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
Group 1	0.8205	0.1641	0.6564	0.0000	0.6564	0.5184
Group 2	0.3225	0.0645	0.2580	0.3984	0.6564	0.5184
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	0.8420	0.1684	0.6736	0.0000	0.6736	0.5258
Group 2	0.5194	0.1039	0.4155	0.2581	0.6736	0.5258
<b>P Shares (Net Accumulation)</b>						
Group 1	0.6049	0.1210	0.4839	0.0000	0.4839	0.3341
Group 2	0.6049	0.1210	0.4839	0.0000	0.4839	0.3341
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
Group 1	0.6891	0.1378	0.5513	0.0000	0.5513	0.4039
Group 2	0.2313	0.0463	0.1850	0.3663	0.5513	0.4039
<b>Exempt Shares 2 (Gross Accumulation)</b>						
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**

	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Euro Accumulation Shares</b>						
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

**BNY MELLON INVESTMENT FUNDS – NEWTON LONG CORPORATE BOND FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£324.20m
Comparative Index:	BofA Merrill Lynch Non-Gilt (over 10 years) Investment Grade TR
Sector:	The Investment Association £ Corporate Bond

Distribution Yield as at 31 December 2014:

Exempt Shares 1 (Gross Accumulation)	3.57%
Exempt Shares 2 (Gross Accumulation)	3.47%
Institutional Shares (Accumulation)	3.27%
X Shares (Gross Accumulation)	3.77%
X Shares (Net Income)	3.77%
X Shares (Net Accumulation)	3.78%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Exempt Shares 1 (Gross Accumulation)	16.55%	0.01%	13.70%	12.25%	9.98%
Exempt Shares 2 (Gross Accumulation)	16.44%	-0.08%	13.58%	12.13%	9.88%
Institutional Shares (Accumulation)	15.37%	-1.07%	12.41%	10.37%	8.38%
X Shares (Gross Accumulation)	16.78%	0.22%	13.93%	12.47%	10.20%
X Shares (Net Income)*	15.85%	n/a	n/a	n/a	n/a
BofA Merrill Lynch Non-Gilt (over 10 years) Investment Grade TR	17.96%	-0.66%	14.57%	11.26%	9.92%

Source: Lipper as at 31 December 2014 – 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 six-month period under review, the Institutional Sterling Net Acc Share Class of the Sub-Fund returned +9.84% against a return of +10.85% for the BofA Merrill Lynch Non-Gilt 10 yr+ Investment Grade TR Index.

The Fund generated a positive return but underperformed its comparative index. 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, drove the strength in global bond markets, which filtered through to high-quality corporate bonds. This reduced the need for early rate increases from central banks. The underweight position in quasi-government bonds (debt issued by an agency that has government backing) was a negative factor for the Fund.

Most of the Fund's activity related to adding to or reducing existing holdings. Brazilian state-owned energy company Petrobras performed poorly largely as a result of a deteriorating operating environment and the position was trimmed. New holdings included BT. Concerned that yields on long-dated bonds might have fallen too far, the fund manager added to very short-dated bonds, in the expectation that they should be less volatile (Pacific Life, Intercontinental Hotels, ENW Capital Finance).

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

Purchases	Sales
ENW Capital Finance 6.75% Guaranteed European Medium Term Notes 20/6/2015	Kreditanstalt Fur Wiederaufbau 5.50% Bonds 18/6/2025
Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055	Network Rail 4.75% Guaranteed European Medium Term Bonds 29/11/2035
BHP Billiton Finance 4.3% European Medium Term Bonds 25/9/2042	Vodafone 4.625% European Medium Term Bonds 8/9/2014
InterContinental Hotels 6% Guaranteed European Medium Term Notes 9/12/2016	Bank of Scotland 4.875% European Medium Term Notes 20/12/24
Commonwealth Bank of Australia 3.875% Guaranteed Senior European Medium Term Notes 14/12/2015	BHP Billiton Finance 3.25% European Medium Term Bonds 25/9/2024
Citigroup 7.375% Guaranteed Senior European Medium Term Bonds 1/9/2039	Royal Bank of Scotland 5.125% Bonds 13/1/2024
Asciano Finance 5% Guaranteed European Medium Term Notes 19/9/2023	Harbour Funding 5.28% Bonds 31/3/2044
FirstGroup 6.875% Guaranteed Bonds 18/9/2024	SNCF 5.375% European Medium Term Notes 18/03/27
European Investment Bank 4.5% Guaranteed Senior European Medium Term Bonds 7/3/2044	Places For People Homes 5.09% Bonds 31/7/2043
Vodafone 4.625% European Medium Term Bonds 08/09/2014	Coventry Building Society 5.875% Bonds 28/9/2022

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Exempt Shares 1 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	195.31	168.15	9.1059
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	9.8333
<b>Exempt Shares 2 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	131.79	113.53	6.0237
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	115.60	100.13	4.0581
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
<b>X Shares (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	196.52	169.02	9.5240
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
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 18 November)	100.39	98.26	1.8530
2014	110.54	99.63	3.3397
<b>X Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 1 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	64,966,343	216.64	29,987,495
30/06/2013	69,320,611	230.07	30,130,121
30/06/2014	46,650,260	249.60	18,689,919
31/12/2014	49,240,162	274.28	17,952,803
<b>Exempt Shares 2 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	12,757,004	145.93	8,742,086
30/06/2013	14,399,198	154.82	9,300,822
30/06/2014	28,164,580	167.79	16,785,549
31/12/2014	24,848,988	184.29	13,483,801

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	9,323,930	124.52	7,488,118
30/06/2013	3,933,852	130.81	3,007,191
30/06/2014	106,877	140.40	76,124
31/12/2014	38,622,317	153.49	25,163,208
<b>X Shares (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	147,995,788	218.79	67,642,140
30/06/2013	160,970,908	232.82	69,140,963
30/06/2014	171,017,586	253.08	67,573,296
31/12/2014	178,100,019	278.39	63,975,628
<b>X Shares (Net Income)</b>		<b>Pence</b>	
30/06/2014	25,599,512	99.97	25,607,905
31/12/2014	33,388,145	107.82	30,966,575
<b>X Shares (Net Accumulation)*</b>		<b>Pence</b>	
30/06/2014	1,205,489	101.10	1,192,377

\*X Shares (Net Accumulation) share class closed 30 September 2014.

**Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Exempt Shares 1 (Gross Accumulation)	0.26	0.26
Exempt Shares 2 (Gross Accumulation)	0.36	0.36
Institutional Shares (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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Sterling Denominated Corporate Bonds 92.31% (96.93%)</b>			
3i 5.75% Guaranteed Senior European Medium Term Bonds 3/12/2032	£2,500,000	3,039,575	0.94
AA Bond 6.269% Bonds 2/7/2043	£2,850,000	3,471,411	1.07
ABP Finance 6.25% Guaranteed European Medium Term Bonds 14/12/2026	£2,350,000	2,976,195	0.92
Affinity Sutton 4.25% European Medium Term Bonds 8/10/2042	£2,149,000	2,353,692	0.73
Affordable Housing Finance 3.8% European Medium Term Notes 20/5/2044	£1,500,000	1,771,935	0.55
Annington Repack No 1 5.3236% Guaranteed Bonds 10/1/2023	£2,560,000	2,946,375	0.91
Arsenal Securities 5.1418% Guaranteed Bonds 1/9/2029	£2,814,765	3,081,108	0.95
Artesian Finance II 6% Guaranteed Senior European Medium Term Bonds 30/9/2033	£2,100,000	2,751,210	0.85
Asciano Finance 5% Guaranteed European Medium Term Notes 19/9/2023	£1,000,000	1,118,930	0.35
Aspire Defence Finance 4.674% Asset Backed Bonds 31/3/2040	£2,729,375	3,084,918	0.95
Barclays 5.75% Guaranteed Senior European Medium Term Bonds 14/9/2026	£2,650,000	2,994,981	0.92
BAT International Finance 5.75% Guaranteed European Medium Term Bonds 5/7/2040	£2,350,000	3,124,762	0.96
BG Energy Capital 5.125% Guaranteed European Medium Term Bonds 1/12/2025	£3,147,000	3,716,684	1.15
BHP Billiton Finance 3.25% European Medium Term Bonds 25/9/2024	£1,000,000	1,027,202	0.32
BHP Billiton Finance 4.3% European Medium Term Bonds 25/9/2042	£3,000,000	3,262,200	1.01
British Telecommunications 5.75% Guaranteed Senior Bonds 7/12/2028	£1,400,000	1,709,266	0.53
Bupa Finance 6.125% Guaranteed Perpetual Floating Rate Bonds	£1,014,000	1,077,375	0.33
Cambridge University 3.75% Notes 17/10/2052	£2,300,000	2,728,449	0.84
Centrica 7% Guaranteed Senior European Medium Term Bonds 19/9/2033	£1,850,000	2,644,068	0.82
Citigroup 5.15% Guaranteed Senior European Medium Term Bonds 21/5/2026	£2,600,000	3,098,182	0.96
Citigroup 7.375% Guaranteed Senior European Medium Term Bonds 1/9/2039	£1,700,000	2,684,761	0.83
Clydesdale Bank 4.625% Guaranteed European Medium Term Bonds 8/6/2026	£2,450,000	2,923,055	0.90
Commonwealth Bank of Australia 3.875% Guaranteed Senior European Medium Term Notes 14/12/2015	£2,600,000	2,674,111	0.82
Danske Bank 4% Guaranteed Senior European Medium Term Notes 9/12/2015	£3,000,000	3,079,139	0.95
Delamare Finance 6.067% Guaranteed Bonds 19/2/2029	£900,000	990,873	0.31
Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	£2,050,000	3,261,977	1.01
DirecTV Financing 4.375% Guaranteed Medium Term Notes 14/9/2029	£2,100,000	2,228,046	0.69
Dong Energy 4.875% Guaranteed Senior European Medium Term Bonds 12/1/2032	£3,650,000	4,201,262	1.30
DWR Cymru Financing 4.473% Guaranteed Asset Backed European Medium Term Bonds 31/3/2057	£1,750,000	1,996,925	0.62
E.ON International Finance 6.375% Guaranteed European Medium Term Bonds 7/6/2032	£3,023,000	4,017,680	1.24
Electricite de France 5.875% Perpetual Subordinated Floating Rate European Medium Term Notes	£900,000	938,250	0.29
Electricite de France 6% Perpetual Subordinated Floating Rate Bonds	£1,400,000	1,487,780	0.46
Electricite de France 6.125% Guaranteed Senior European Medium Term Bonds 2/6/2034	£4,900,000	6,464,973	1.99
Enel-Societa Per Azioni 5.75% Senior European Medium Term Bonds 22/6/2037	£1,950,000	2,362,460	0.73
ENW Capital Finance 6.75% Guaranteed European Medium Term Notes 20/6/2015	£3,100,000	3,176,300	0.98
European Investment Bank 0% Bonds 7/12/2028	£6,656,000	4,579,994	1.41
European Investment Bank 4.5% Guaranteed Senior European Medium Term Bonds 7/3/2044	£3,950,000	5,359,115	1.65
European Investment Bank 5.625% Guaranteed Senior Bonds 7/6/2032	£2,010,000	2,865,703	0.88
Exchequer Partnership 2 5.396% Guaranteed Bonds 13/7/2036	£2,318,777	2,930,861	0.90
FirstGroup 6.875% Guaranteed Bonds 18/9/2024	£2,000,000	2,439,824	0.75
GDF Suez 5% Guaranteed European Medium Term Bonds 1/10/2060	£2,700,000	3,331,970	1.03
GE Capital 6.44% Guaranteed Senior European Medium Term Bonds 15/11/2022	£1,556,570	1,761,110	0.54
GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 5/5/2038	£2,600,000	3,655,860	1.13
GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045	£1,860,000	2,059,353	0.63
GlaxoSmithKline Capital 6.375% Guaranteed European Medium Term Bonds 9/3/2039	£2,450,000	3,553,756	1.10
Greater Gabbard 4.137% Senior Notes 29/11/2032	£1,484,252	1,639,504	0.51
Health Care 4.5% Medium Term Notes 1/12/2034	£2,265,000	2,348,805	0.72
Health Care REIT 4.8% Senior Notes 20/11/2028	£1,440,000	1,576,241	0.49
Heathrow Funding 3% Guaranteed Senior Floating Rate European Medium Term Notes 8/6/2017	£1,500,000	1,513,005	0.47
Heathrow Funding 4.625% Senior European Medium Term Notes 31/10/2048	£3,200,000	3,476,723	1.07
High Speed Rail Financial 4.375% European Medium Term Notes 1/11/2038	£4,500,000	5,102,871	1.57
HSBC 5.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 4/11/2030	£5,000,000	5,571,269	1.72
HSBC 6.75% Guaranteed Subordinated Bonds 11/9/2028	£2,850,000	3,561,225	1.10

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
Hutchison Whampoa Finance UK 5.625% Guaranteed Bonds 24/11/2026	£2,300,000	2,856,046	0.88
Imperial Tobacco Finance 8.125% Guaranteed European Medium Term Bonds 15/3/2024	£1,247,000	1,701,453	0.52
InterContinental Hotels 6% Guaranteed European Medium Term Notes 9/12/2016	£2,500,000	2,704,147	0.83
International Bank for Reconstruction & Development 4.875% European Medium Term Bonds 7/12/2028	£1,500,000	1,983,498	0.61
Intu SGS Finance 4.25% European Medium Term Notes 17/9/2030	£1,607,000	1,686,948	0.52
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£2,878,358	3,459,528	1.07
KFW 2.75% Guaranteed European Medium Term Notes 7/9/2015	£800,000	812,029	0.25
KFW 5% Guaranteed European Medium Term Bonds 9/6/2036	£3,000,000	4,199,089	1.29
Koninklijke KPN 5.75% Guaranteed Senior European Medium Term Bonds 17/9/2029	£2,300,000	2,725,035	0.84
LBG Capital No.2 15% Guaranteed Bonds 21/12/2019	£1,500,000	2,070,000	0.64
LCR Finance 4.5% Guaranteed Bonds 7/12/2028	£2,882,000	3,594,400	1.11
Lloyds TSB 5.125% Guaranteed Subordinated European Medium Term Bonds 7/3/2025	£2,300,000	2,855,749	0.88
London & Quadrant Housing 5.5% Guaranteed Senior Bonds 27/1/2040	£2,070,000	2,707,377	0.83
Manchester Airport Funding 4.75% Senior European Medium Term Notes 31/3/2034	£2,700,000	3,025,539	0.93
Merseylink Issuer 3.842% Bonds 31/3/2043	£2,000,000	2,356,138	0.73
Mitchells & Butlers Finance 6.013% Guaranteed Asset Backed Bonds 15/12/2030	£2,513,000	3,013,037	0.93
Motability Operations 5.625% Guaranteed Senior European Medium Term Bonds 29/11/2030	£3,050,000	3,966,099	1.22
National Grid 5.875% Guaranteed Senior Bonds 2/2/2024	£2,376,000	2,966,049	0.91
National Grid 6.5% Guaranteed Senior Bonds 27/7/2028	£1,200,000	1,620,273	0.50
Nationwide Building Society 5.625% Guaranteed European Medium Term Bonds 28/1/2026	£2,150,000	2,818,685	0.87
Nederlandse Waterschapsbank 5.375% Guaranteed Senior European Medium Term Bonds 7/6/2032	£1,800,000	2,450,330	0.76
Network Rail 4.75% Guaranteed European Medium Term Bonds 29/11/2035	£2,900,000	3,888,339	1.20
Next 4.375% Senior Notes 2/10/2026	£500,000	551,044	0.17
Northern Gas Networks 4.875% Guaranteed Bonds 30/6/2027	£1,993,000	2,298,792	0.71
Orange 5.625% Guaranteed Senior Bonds 23/1/2034	£2,200,000	2,709,297	0.84
Pacific Life 5.125% Guaranteed European Medium Term Notes 20/1/2015	£2,147,000	2,150,483	0.66
Petrobras Global Finance 6.625% Guaranteed Bonds 16/1/2034	£1,800,000	1,521,018	0.47
Pfizer 6.5% Guaranteed Senior Bonds 3/6/2038	£2,150,000	3,133,195	0.97
Places for People Homes 5.875% European Medium Term Notes 23/5/2031	£1,500,000	1,874,613	0.58
Prudential 11.375% Guaranteed Subordinated Floating Rate European Medium Term Bonds 29/5/2039	£1,600,000	2,116,992	0.65
Prudential 5.875% Guaranteed Senior Bonds 11/5/2029	£2,000,000	2,591,400	0.80
RSA Insurance 9.375% Guaranteed Floating Rate Bonds 20/5/2039	£1,850,000	2,254,650	0.69
RWE Finance 6.125% Guaranteed European Medium Term Bonds 6/7/2039	£2,250,000	2,936,089	0.91
Sceptre Funding No.1 5.253% Guaranteed Senior Bonds 9/2/2027	£2,406,785	2,858,306	0.88
Scottish Widows 5.5% Bonds 16/6/2023	£1,750,000	1,878,100	0.58
Silverstone Master ISS 5.063% Guaranteed Mortgage Backed European Medium Term Bonds 21/1/2055	£2,962,000	3,159,071	0.97
SLM Student Loan Trust 03-10 5.15% Guaranteed Asset Backed Bonds 15/12/2039	£2,162,000	2,032,280	0.63
Southern Electric Power 4.625% Guaranteed Senior Bonds 20/2/2037	£3,100,000	3,515,944	1.08
Southern Gas Network 4.875% Guaranteed European Medium Term Bonds 21/3/2029	£3,110,000	3,649,778	1.13
Southern Water Services Finance 5.125% Guaranteed Senior European Medium Term Bonds 30/9/2056	£1,861,000	2,325,201	0.72
Standard Chartered 4.375% European Medium Term Bonds 18/1/2038	£3,150,000	3,281,062	1.01
Sunderland (SHG) Finance 6.38% Guaranteed Senior Bonds 31/3/2042	£1,314,000	1,790,062	0.55
TeliaSonera 4.375% European Medium Term Bonds 5/12/2042	£2,700,000	2,942,460	0.91
Temasek Financial I 5.125% Guaranteed Bonds 26/7/2040	£4,700,000	6,403,038	1.97
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£3,350,194	3,326,008	1.03
THFC 5.125% Guaranteed Senior European Medium Term Bonds 21/12/2037	£2,500,000	3,029,294	0.93
THFC 5.2% Guaranteed Senior European Medium Term Bonds 11/10/2043	£2,340,000	2,929,657	0.90
Transport for London 3.625% European Medium Term Notes 15/5/2045	£3,120,000	3,421,504	1.05
UNITE USAF II 3.374% Senior Bonds 30/6/2028	£3,130,000	3,200,738	0.99
UPP Bond 1 Issuer 4.9023% Senior European Medium Term Notes 28/2/2040	£2,746,253	3,095,027	0.95
Verizon Communications 4.75% Senior European Medium Term Notes 17/2/2034	£2,700,000	3,052,080	0.94
Wells Fargo 4.875% Guaranteed Subordinated European Medium Term Bonds 29/11/2035	£2,950,000	3,241,165	1.00
Yorkshire Building Society 4.125% European Medium Term Notes 20/11/2024	£1,482,000	1,491,929	0.46
Yorkshire Power Finance 7.25% Guaranteed Bonds 4/8/2028	£2,400,000	3,260,523	1.01

**Portfolio Statement (continued)**

as at 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Government Bond 1.70% (0.00%)</b>			
Belgium (Kingdom) 5.7% Bonds 28/5/2032	£2,450,000	3,303,645	1.02
New South Wales Treasury 5% Bonds 25/2/2039	£1,600,000	2,213,492	0.68
<b>Portfolio of investments</b>		<b>304,791,024</b>	<b>94.01</b>
<b>Net current assets</b>		<b>19,408,607</b>	<b>5.99</b>
<b>Total Net Assets</b>		<b>324,199,631</b>	<b>100.00</b>
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.

Standard & Poor's Ratings:	Market Value (£'000's) 31/12/2014	Total Net Assets (%) 31/12/2014	Total Net Assets (%) 30/06/2014
AAA	43,648	13.46	18.33
AA	38,587	11.90	15.13
A	111,881	34.51	31.91
BBB	72,660	22.41	24.68
BB	3,326	1.03	0.00
Not rated (by S&P)	34,689	10.70	6.88
<b>Portfolio of investments</b>	<b>304,791</b>	<b>94.01</b>	<b>96.93</b>
<b>Net current assets</b>	<b>19,409</b>	<b>5.99</b>	<b>3.07</b>
<b>Total Net Assets</b>	<b>324,200</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		21,670,797		289,201
Revenue	6,252,694		5,821,616	
Expenses	<u>(230,375)</u>		<u>(165,088)</u>	
Net revenue before taxation	6,022,319		5,656,528	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>6,022,319</u>		<u>5,656,528</u>
<b>Total return before distributions</b>		<b>27,693,116</b>		<b>5,945,729</b>
Finance costs: Distributions		(6,022,319)		(5,656,521)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>21,670,797</u></b>		<b><u>289,208</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		272,744,304		248,624,569
Amounts receivable on issue of shares	103,472,692		32,980,965	
Amounts payable on cancellation of shares	<u>(79,500,662)</u>		<u>(55,540,727)</u>	
		23,972,030		(22,559,762)
Dilution adjustment		496,837		99,899
Change in net assets attributable to Shareholders from investment activities (see above)		21,670,797		289,208
Retained distributions on accumulation shares		5,315,663		5,338,419
<b>Closing net assets attributable to Shareholders</b>		<b><u>324,199,631</u></b>		<b><u>231,792,333</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		304,791,024		264,378,248
Debtors	5,132,268		4,766,765	
Cash and bank balances	<u>15,073,253</u>		<u>4,956,377</u>	
Total other assets		<u>20,205,521</u>		<u>9,723,142</u>
Total assets		324,996,545		274,101,390
<b>LIABILITIES</b>				
Creditors	(271,500)		(936,348)	
Distribution payable on income shares	<u>(525,414)</u>		<u>(420,738)</u>	
Total other liabilities		<u>(796,914)</u>		<u>(1,357,086)</u>
Total liabilities		(796,914)		(1,357,086)
<b>Net assets attributable to Shareholders</b>		<u><b>324,199,631</b></u>		<u><b>272,744,304</b></u>

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Withheld @20%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Institutional Shares (Accumulation)</b>						
Group 1	2.6056	0.5211	2.0845	0.0000	2.0845	2.2488
Group 2	0.6391	0.1278	0.5113	1.5732	2.0845	2.2488
<b>X Shares (Net Income)</b>						
Group 1	2.1209	0.4242	1.6967	0.0000	1.6967	1.8530
Group 2	1.4205	0.2841	1.1364	0.5603	1.6967	1.8530
						Period
						Group 1: Shares purchased prior to 1 July 2014
						Group 2: Shares purchased 1 July 2014 to 31 December 2014
			<b>Gross Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Exempt Shares 1 (Gross Accumulation)</b>						
Group 1			5.0392	0.0000	5.0392	5.3154
Group 2			2.3056	2.7336	5.0392	5.3154
<b>Exempt Shares 2 (Gross Accumulation)</b>						
Group 1			3.2981	0.0000	3.2981	3.4956
Group 2			3.2981	0.0000	3.2981	3.4956
<b>X Shares (Gross Accumulation)</b>						
Group 1			5.3797	0.0000	5.3797	5.6231
Group 2			3.1076	2.2721	5.3797	5.6231

**BNY MELLON INVESTMENT FUNDS – NEWTON LONG GILT FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser: Newton Investment Management Limited

Fund Size: £87.69m

Comparative Index: FTSE A British Govt over 15 years TR

Sector: The Investment Association UK Gilt

Distribution Yield as at 31 December 2014:

Exempt Shares 2 (Gross Accumulation) 2.32%

Institutional Shares (Accumulation) 2.02%

X Shares (Gross Accumulation) 2.52%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Exempt Shares 2 (Gross Accumulation)	24.65%	-5.48%	3.30%	25.33%	8.91%
Institutional Shares (Accumulation)	23.64%	-6.26%	2.45%	24.14%	7.77%
X Shares (Gross Accumulation)	24.90%	-5.28%	3.52%	25.58%	9.13%
FTSE A British Govt over 15 years TR	26.13%	-5.93%	2.91%	26.26%	8.78%

Source: Lipper as at 31 December 2014 – Institutional Shares (Accumulation) - Total return including revenue net of UK tax and annual charges. Exempt Shares 2 (Gross Accumulation) and X Shares (Gross Accumulation) - Total return including revenue gross of UK Tax and net 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 six-month period under review, the Institutional Sterling Acc Share Class of the Sub-Fund returned +17.26% against a return of +19.18% for the FTSE Actuaries British Government over 15 years Index.

Although the Fund generated a strong positive return, it underperformed its comparative index. This underperformance was predominantly because it had shorter duration – a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates – than the index. The size of the position varied throughout the period – the deteriorating situation in Greece and the collapse in the price of oil encouraged a slight addition to long-dated Gilts, despite record low yields, for instance.

Ex-benchmark corporate bond positions were also a relative drag on performance. Although returns on these were still strongly positive, they failed to keep pace with Gilts. Cash holdings also cost performance when government bonds performed very well.

Two corporate bond positions were initiated in the Fund – Orange and Affordable Housing Finance. 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.

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

**Purchases**

**Sales**

Treasury 4.00% Stock 07/09/2016  
 Treasury 4.75% Stock 07/12/2030  
 Treasury 4.5% Stock 07/12/2042  
 Treasury 4.25% Loan Stock 07/12/2055  
 Treasury 4.25% Stock 07/12/2046  
 Treasury 3.50% Bonds 22/07/2068  
 Treasury 4.25% Bonds 07/12/2027  
 Treasury 4.25% Bonds 07/12/2040  
 Treasury 4.00% Stock 22/01/2060  
 Treasury 4.75% Stock 07/12/2038

Treasury 4.00% Stock 07/09/2016  
 Treasury 4.75% Stock 07/12/2030  
 Treasury 4.75% Stock 07/12/2038  
 Treasury 4.25% Bonds 07/12/2027  
 Treasury 4.75% Stock 07/09/2015  
 Treasury 4.00% Stock 07/03/2022  
 Treasury 4.25% Loan Stock 07/12/2055  
 Treasury 4.00% Stock 22/01/2060  
 Treasury 3.50% War Loan Stock Perpetual  
 Treasury 4.25% Bonds 07/12/2040

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Exempt Shares 2 (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	322.70	273.26	11.6324
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	11.4452
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	306.56	261.05	8.1821
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	7.5031
<b>X Shares (Gross Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	324.92	274.84	12.3038
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
<b>X Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.

<b>X Shares (Net Accumulation)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Exempt Shares 2 (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	84,521,584	392.85	21,515,092
30/06/2013	53,569,142	377.37	14,195,414
30/06/2014	36,895,495	398.46	9,259,444
31/12/2014	42,547,967	468.20	9,087,614
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	11,033,176	366.87	3,007,364
30/06/2013	2,689,591	349.59	769,350
30/06/2014	5,006,095	366.01	1,367,756
31/12/2014	27,336,564	428.38	6,381,309

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>X Shares (Gross Accumulation)</b>		<b>Pence</b>	
30/06/2012	14,628,665	397.03	3,684,513
30/06/2013	23,761,093	382.16	6,217,590
30/06/2014	13,210,564	404.35	3,267,127
31/12/2014	17,807,788	475.59	3,744,350
<b>X Shares (Net Accumulation)*</b>		<b>Pence</b>	
30/06/2014	1,220,413	100.47	1,214,699

\*X Shares (Net Accumulation) share class closed 25 September 2014.

**Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Exempt Shares 2 (Gross Accumulation)	0.28	0.27
Institutional Shares (Accumulation)	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, Depository, 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 25 September 2014.

**Portfolio Statement**

as at 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>UK Government Stocks 90.03% (90.76%)</b>			
Treasury 1.25% Stock 22/7/2018	£880,000	888,690	1.01
Treasury 2.75% Stock 22/1/2015	£1,850,000	1,851,249	2.11
Treasury 3.25% Stock 22/1/2044	£3,980,000	4,586,851	5.23
Treasury 3.5% Bonds 22/7/2068	£2,700,000	3,502,103	3.99
Treasury 3.5% War Loan Stock Perpetual	£1,650,000	1,658,374	1.89
Treasury 3.75% Gilts 22/7/2052	£3,430,000	4,477,436	5.11
Treasury 4% Stock 7/9/2016	£1,700,000	1,800,257	2.05
Treasury 4% Stock 22/1/2060	£3,470,000	4,904,758	5.59
Treasury 4.25% Bonds 7/12/2040	£3,900,000	5,232,142	5.97
Treasury 4.25% Stock 7/6/2032	£4,077,000	5,258,413	6.00
Treasury 4.25% Stock 7/3/2036	£3,250,000	4,260,019	4.86
Treasury 4.25% Stock 7/9/2039	£2,710,000	3,621,034	4.13
Treasury 4.25% Stock 7/12/2046	£4,325,000	6,002,992	6.85
Treasury 4.25% Gilts 7/12/2049	£2,870,000	4,058,682	4.63
Treasury 4.25% Loan Stock 7/12/2055	£3,570,000	5,211,397	5.94
Treasury 4.5% Bonds 7/9/2034	£4,360,000	5,851,447	6.67
Treasury 4.5% Stock 7/12/2042	£4,450,000	6,274,834	7.16
Treasury 4.75% Stock 7/12/2030	£3,900,000	5,262,172	6.00
Treasury 4.75% Stock 7/12/2038	£2,550,000	3,635,726	4.15
Treasury 8.75% Stock 25/8/2017	£500,000	607,037	0.69
<b>Overseas Government Bonds 3.48% (2.09%)</b>			
US Treasury 0.875% Notes 28/2/2017	USD1,330,000	855,107	0.97
US Treasury 2.875% Notes 15/5/2043	USD585,000	383,739	0.44
US Treasury 4.375% Notes 15/11/2039	USD2,160,000	1,816,017	2.07
<b>Sterling Denominated Corporate Bonds 3.64% (4.13%)</b>			
Cambridge University 3.75% Notes 17/10/2052	£289,000	342,836	0.39
DNB Bank 7.25% Guaranteed Subordinated Floating Rate European Medium Term Bonds 23/6/2020	£250,000	255,540	0.29
Dong Energy 4.875% Guaranteed Senior European Medium Term Bonds 12/1/2032	£200,000	230,206	0.26
Electricite de France 6.125% Guaranteed Senior European Medium Term Bonds 2/6/2034	£200,000	263,876	0.30
Exchequer Partnership 2 5.396% Guaranteed Bonds 13/7/2036	£333,379	421,380	0.48
GDF Suez 5% Guaranteed European Medium Term Bonds 1/10/2060	£200,000	246,813	0.28
GlaxoSmithKline Capital 4.25% European Medium Term Bonds 18/12/2045	£300,000	332,154	0.38
KFW 2.75% Guaranteed European Medium Term Notes 7/9/2015	£200,000	203,007	0.23
Network Rail 4.75% Guaranteed European Medium Term Bonds 29/11/2035	£210,000	281,569	0.32
Orange 5.625% Guaranteed Senior Bonds 23/1/2034	£200,000	246,300	0.28
THFC 5.2% Guaranteed Senior European Medium Term Bonds 11/10/2043	£300,000	375,597	0.43
<b>USD Forward Foreign Currency Contracts 0.00% (0.00%)</b>			
Forward Foreign Currency Contracts 12/02/15	USD(676,413)	(433,937)	(0.49)
Forward Foreign Currency Contracts 12/02/15	£425,979	425,979	0.49
Forward Foreign Currency Contracts 12/02/15	USD(1,336,092)	(857,139)	(0.98)
Forward Foreign Currency Contracts 12/02/15	£861,355	861,355	0.98
<b>Portfolio of investments*</b>		<b>85,196,012</b>	<b>97.15</b>
<b>Net current assets</b>		<b>2,496,307</b>	<b>2.85</b>
<b>Total Net Assets</b>		<b>87,692,319</b>	<b>100.00</b>
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 31 December 2014

Standard & Poor's Ratings:	Market Value (£'000's) 31/12/2014	Total Net Assets (%) 31/12/2014	Total Net Assets (%) 30/06/2014
AAA	79,773	90.97	93.83
AA	3,476	3.96	1.21
A	1,474	1.68	1.71
BBB	477	0.54	-
Not rated	-	-	0.23
Derivatives	(4)	0.00	-
<b>Portfolio of investments</b>	<b>85,196</b>	<b>97.15</b>	<b>96.98</b>
<b>Net current assets</b>	<b>2,496</b>	<b>2.85</b>	<b>3.02</b>
<b>Total Net Assets</b>	<b>87,692</b>	<b>100.00</b>	<b>100.00</b>

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains/(losses)		10,896,248		(770,528)
Revenue	1,095,724		1,107,672	
Expenses	<u>(111,852)</u>		<u>(84,106)</u>	
Net revenue before taxation	983,872		1,023,566	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>983,872</u>		<u>1,023,566</u>
<b>Total return before distributions</b>		<b>11,880,120</b>		<b>253,038</b>
Finance costs: Distributions		(983,872)		(1,023,569)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>10,896,248</u></b>		<b><u>(770,531)</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		56,332,567		80,019,826
Amounts receivable on issue of shares	57,770,604		26,916,712	
Amounts payable on cancellation of shares	<u>(38,261,414)</u>		<u>(51,698,127)</u>	
		19,509,190		(24,781,415)
Dilution adjustment		39,886		66,425
Change in net assets attributable to Shareholders from investment activities (see above)		10,896,248		(770,531)
Retained distributions on accumulation shares		914,428		951,986
<b>Closing net assets attributable to Shareholders</b>		<b><u>87,692,319</u></b>		<b><u>55,486,291</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		85,203,970		54,635,512
Debtors	607,220		618,720	
Cash and bank balances	<u>1,983,887</u>		<u>1,228,496</u>	
Total other assets		<u>2,591,107</u>		<u>1,847,216</u>
Total assets		87,795,077		56,482,728
<b>LIABILITIES</b>				
Investment liabilities		(7,958)		(4,117)
Creditors	<u>(94,800)</u>		<u>(146,044)</u>	
Total other liabilities		<u>(94,800)</u>		<u>(146,044)</u>
Total liabilities		(102,758)		(150,161)
<b>Net assets attributable to Shareholders</b>		<b><u>87,692,319</u></b>		<b><u>56,332,567</u></b>

\* Gross of investment liabilities.

## Distribution Statement

for the six months ended 31 December 2014

### Interim interest distribution in pence per Share

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased 1 October 2014
						Prior Period 31/12/2013
Institutional Shares (Accumulation)						
Group 1	2.2313	0.4463	1.7850	0.0000	1.7850	1.9455
Group 2	0.9196	0.1839	0.7357	1.0493	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
Exempt Shares 2 (Gross Accumulation)						
Group 1			2.7717	0.0000	2.7717	2.9216
Group 2			1.0794	1.6923	2.7717	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

	Gross Revenue	Tax Withheld @20%	Net Revenue	Equalisation	Amount Paid	Period
						Group 1: Shares purchased 1 July 2014
						Prior Period 30/09/2013
Institutional Shares (Accumulation)						
Group 1	2.2693	0.4539	1.8154	0.0000	1.8154	1.9732
Group 2	1.3519	0.2704	1.0815	0.7339	1.8154	1.9732
Exempt Shares 2 (Gross Accumulation)						
Group 1			2.7900	0.0000	2.7900	2.9499
Group 2			1.7957	0.9943	2.7900	2.9499
X Shares (Gross Accumulation)						
Group 1			3.0437	0.0000	3.0437	3.1805
Group 2			1.7340	1.3097	3.0437	3.1805

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET BALANCED FUND (FORMERLY NEWTON  
BALANCED FUND)**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£2,772.18m
Comparative Index:	The Investment Association Mixed Investment 40-85% Shares
Sector:	The Investment Association Mixed Investment 40-85% Shares

Yield as at 31 December 2014:

Sterling Income Shares	2.39%
Institutional Shares (Accumulation)	2.38%
Institutional Shares W (Net Income)	2.45%
Institutional Shares W (Net Accumulation)	2.38%
Retail Advised Shares B (Net Income)	2.40%
Retail Advised Shares B (Net Accumulation)	2.33%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	5.04%	11.07%	5.26%	-5.33%	9.82%
Institutional Shares (Accumulation)	5.64%	11.72%	5.87%	-4.77%	10.45%
Institutional Shares W (Net Income)*	5.90%	11.99%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	5.90%	11.99%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	5.57%	11.63%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	5.57%	11.64%	n/a	n/a	n/a
IMA Mixed Investment 40-85% Shares**	4.69%	14.43%	9.87%	-5.57%	12.34%

Source: Lipper as at 31 December 2014 - 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 2 January 2015, the IMA will be known as The Investment Association.

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 six-month period in review, the Sterling Income Share Class of the Fund returned +3.70% compared with +3.36% from The Investment Association Mixed Investment 40-85% Shares.

Equity holdings were the principal reason for outperformance: cash holdings had a small positive effect, while bond and commodity holdings detracted from relative returns. Within equities, being overweight in telecoms and healthcare was beneficial, as was being underweight in oil & gas, as the sector weakened as the oil price fell. Stock selection was strongest in consumer services and weakest in telecoms. At the stock level, top contributors included Dollar General, which rose strongly in August when the company joined the battle to take over rival Family Dollar, as investors welcomed the prospect of consolidation among discount retailers. Citigroup was propelled higher by encouraging second-quarter results and better US economic data, while Vodafone Group outperformed in November after releasing better-than-expected interim sales figures. Positioning within fixed income was detrimental, especially the holding in Norwegian government bonds, which were impacted by the falling price of oil given Norway's reliance on the commodity.

Although the Fund reduced exposure to US equities overall, as valuations looked stretched, two new US holdings were added: Walgreen, a retail pharmacy chain whose merger with Boots provides opportunities to increase profits, and fast-food chain owner Yum! Brands, trading more cheaply than it should in the manager's view after food contamination was discovered at a supplier's factory. The Fund also participated in the stock-market flotation of German technology firm Rocket Internet. Also purchased were Insurance Australia Group, a well-managed business which is one of two companies dominating the Australian insurance industry, and Cobham, a UK-listed aerospace company, on optimism over defence spending following several years of contraction. Positions exited included eBay, on concerns over competition, and Standard Chartered, on increasing caution over the company's Asian operations.

Early in the period, a position was established in US short-dated Treasury bills with the aim of increasing US dollar exposure as sterling looked vulnerable following strong gains. The weighting in high-yield bonds was reduced, as the manager felt yields in that area offered a less attractive balance of risk and reward than previously. Toward the end of the period, the manager increased the portfolio's duration (sensitivity to interest-rate changes) reflecting the view that interest-rate rises would be later and less steep than the market was currently expecting.

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

<b>Purchases</b>	<b>Sales</b>
US Treasury 0% Notes 19/3/2015	US Treasury 0% Notes 28/11/2014
US Treasury 0% Notes 28/11/2014	Treasury 1.25% Bonds 22/7/2018
Treasury 1.75% Bonds 7/9/2022	Australia (Commonwealth) 4.5% Bonds 21/4/2033
Australia (Commonwealth) 3.75% Bonds 21/4/2037	eBay
Cable & Wireless Communications	BHP Billiton
CRH	GlaxoSmithKline
Insurance Australia	Norway (Kingdom of) 3.75% Bonds 25/5/2021
Yum! Brands	Microsoft
TJX	PNC Financial
Walgreen	Mattel

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 31 August)	102.07	98.47	0.7358
2013	114.23	100.39	2.9503
2014	113.69	104.79	2.8233
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 31 August)	102.07	98.47	0.7342
2013	115.07	101.14	2.9989
2014	119.73	109.30	2.9418
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 28 September)	100.44	96.87	1.1239
2013	111.74	98.32	2.7977
2014	110.82	102.19	2.6736
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 28 September)	100.44	96.87	1.1225
2013	113.03	99.45	2.8624
2014	117.02	107.12	2.7991

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	1,193,485,755	153.89	775,545,628
30/06/2013	1,297,157,885	167.28	775,419,689
30/06/2014	1,177,997,355	170.46	691,067,222
31/12/2014	1,101,383,386	175.06	629,155,846
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	1,575,912,163	193.62	813,916,116
30/06/2013	1,662,897,098	217.58	764,276,168
30/06/2014	1,534,957,870	228.78	670,926,552
31/12/2014	1,499,388,311	237.62	630,994,650
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,363,112	105.61	5,078,020
30/06/2014	36,013,290	108.31	33,250,156
31/12/2014	80,867,949	111.66	72,421,714

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

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	3,195,942	108.20	2,953,642
30/06/2014	48,201,649	114.06	42,259,550
31/12/2014	62,107,159	118.63	52,354,315
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	4,271,852	103.32	4,134,723
30/06/2014	18,301,632	105.71	17,312,484
31/12/2014	28,324,033	108.85	26,019,967
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	8,528	106.25	8,027
30/06/2014	173,588	111.64	155,494
31/12/2014	107,711	115.91	92,926

**Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Sterling Income Shares	1.62	1.61
Institutional Shares (Accumulation)	1.04	1.04
Institutional Shares W (Net Income)	0.79	0.79
Institutional Shares W (Net Accumulation)	0.79	0.79
Retail Advised Shares B (Net Income)	1.12	1.11
Retail Advised Shares B (Net Accumulation)	1.12	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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>UK Government Bonds 2.56% (2.15%)</b>			
Treasury 1.75% Bonds 7/9/2022	£70,000,000	70,950,250	2.56
<b>Overseas Government Bonds 14.62% (10.34%)</b>			
Australia (Commonwealth) 3.75% Bonds 21/4/2037	AUD 99,000,000	55,202,558	1.99
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD 46,000,000	28,663,416	1.03
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD 16,960,000	12,947,483	0.47
New Zealand 5.5% Bonds 15/4/2023	NZD 42,770,000	24,247,787	0.88
New Zealand (Government) 6% Notes 15/5/2021	NZD 45,850,000	26,097,824	0.94
New Zealand (Government) 2% Notes 20/9/2025	NZD 34,000,000	17,501,628	0.63
Norway (Kingdom of) 3.75% Bond 25/5/2021	NOK 340,000,000	33,537,343	1.21
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD 42,500,000	27,257,914	0.98
US Treasury 0% Notes 19/3/2015	USD 165,000,000	105,815,661	3.82
US Treasury 4.375% Notes 15/11/2039	USD 88,000,000	73,985,891	2.67
<b>Sterling Denominated Corporate Bonds 1.63% (2.60%)</b>			
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£5,890,000	11,435,284	0.41
FirstGroup 8.75% Guaranteed Bonds 8/4/2021	£2,073,000	2,636,525	0.09
Imperial Tobacco Finance 8.125% Guaranteed European Medium Term Bonds 15/3/2024	£2,650,000	3,615,758	0.13
Juturna Euro Loan 5.0636% European Medium Term Notes 1/8/2033	£3,460,939	4,159,738	0.15
London Power Networks 3.125% Index Linked Bonds 7/6/2032	£833,000	1,679,170	0.06
Tesco 1.9682% Index Linked Medium Term Notes 24/3/2036	£3,267,000	4,120,364	0.15
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£7,995,455	7,937,732	0.29
Thames Water Utilities 3.375% Notes 21/7/2021	£5,531,000	9,660,666	0.35
<b>Non-Sterling Denominated Corporate Bonds 0.86% (3.46%)</b>			
Altria Group 10.2% Guaranteed Bonds 6/2/2039	USD 5,596,000	6,248,790	0.23
BAT International Finance 9.5% Guaranteed Senior Notes 15/11/2018	USD 4,477,000	3,614,189	0.13
Smiths 7.2% Guaranteed Senior Notes 15/5/2019	USD 3,243,000	2,408,732	0.09
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD 18,463,000	11,456,118	0.41
<b>United Kingdom 25.14% (27.26%)</b>			
Associated British Foods	520,213	16,402,316	0.59
BAE Systems	4,722,843	22,268,205	0.80
Barclays	8,067,363	19,644,029	0.71
BP	7,995,446	32,829,301	1.18
British American Tobacco	1,718,771	60,156,985	2.17
Bunzl	1,048,488	18,495,328	0.67
Cable & Wireless	45,894,986	22,777,682	0.82
Centrica	15,843,863	44,188,534	1.59
Cobham	5,034,959	16,308,232	0.59
CRH	2,991,491	46,188,621	1.67
Dixons Carphone	4,119,707	19,016,567	0.69
GlaxoSmithKline	4,572,840	62,922,278	2.27
John Wood	1,707,294	10,184,009	0.37
Johnson Matthey	442,072	15,017,186	0.54
Mitchells & Butlers	6,885,121	26,273,622	0.95
Prudential	2,578,696	38,474,144	1.39
Royal Dutch Shell class 'B' shares	3,849,020	85,929,371	3.10
Smith & Nephew	1,762,117	20,898,708	0.75
Vodafone	35,352,476	78,712,288	2.84
Wolseley	1,092,781	40,279,908	1.45

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Investment Trusts 0.34% (0.00%)</b>			
HICL Infrastructure	4,578,835	6,982,723	0.25
John Laing Infrastructure	1,878,103	2,306,310	0.09
<b>Commodities 2.04% (2.02%)</b>			
ETFS Physical Gold	217,558	15,985,577	0.58
ETFS Physical Gold ETF	544,575	40,510,934	1.46
<b>Canada 0.37% (1.80%)</b>			
Yamana Gold	3,936,712	10,157,850	0.37
<b>United States of America 16.85% (15.94%)</b>			
Abbott Laboratories	472,866	13,652,992	0.49
Accenture	831,615	47,632,859	1.72
Barrick Gold	2,309,653	15,923,534	0.57
Citigroup	1,952,920	67,783,890	2.45
Dollar General	1,266,762	57,421,669	2.07
Dun & Bradstreet	249,673	19,368,572	0.70
Express Scripts	309,449	16,801,637	0.61
Kraft Foods class 'A' shares	340,969	13,699,989	0.49
Marathon Oil	688,834	12,493,330	0.45
Medtronic	613,874	28,421,077	1.03
Microsoft	1,362,008	40,574,168	1.46
Principal Financial	399,410	13,302,140	0.48
Sprint	4,240,785	11,287,002	0.41
Sysco	619,234	15,758,349	0.57
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	533,376	19,669,149	0.71
TJX	536,423	23,589,883	0.85
Walgreen	511,698	24,957,276	0.90
Yum! Brands	531,432	24,825,722	0.89
<b>Australia 1.81% (1.00%)</b>			
Insurance Australia	6,939,353	22,726,304	0.82
Newcrest Mining	4,856,503	27,553,362	0.99
<b>Hong Kong 1.53% (1.34%)</b>			
AIA	11,923,400	42,401,323	1.53
<b>India 0.59% (0.00%)</b>			
ITC	4,372,188	16,369,538	0.59
<b>Japan 3.85% (4.41%)</b>			
Sawai Pharmaceuticals	549,200	20,387,935	0.73
Softbank	1,140,000	43,960,550	1.59
Sugi	709,500	18,672,426	0.67
Toyota Motor	586,600	23,715,495	0.86
<b>France 3.21% (4.72%)</b>			
Air Liquide	341,074	27,210,746	0.98
Sanofi	637,446	37,349,868	1.35
Total	739,604	24,402,828	0.88
<b>Germany 3.94% (2.90%)</b>			
Bayer	581,659	51,211,993	1.85
MTU Aero Engines	383,597	21,395,457	0.77
Rocket Internet	304,375	12,250,116	0.44
SAP	539,700	24,422,729	0.88

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Netherlands 3.90% (3.18%)</b>			
Reed Elsevier	1,839,003	28,294,001	1.02
Wolters Kluwer	4,056,179	79,798,330	2.88
<b>Norway 0.86% (0.82%)</b>			
DNB	2,530,188	23,958,822	0.86
<b>Sweden 1.75% (2.28%)</b>			
Ericsson series 'B' shares	1,789,013	13,821,223	0.50
Millicom International Cellular	443,563	21,167,645	0.76
TeliaSonera	3,289,027	13,580,610	0.49
<b>Switzerland 5.27% (5.60%)</b>			
Credit Suisse	1,688,537	27,322,182	0.99
Nestlé	992,055	46,678,161	1.68
Novartis	435,451	25,941,283	0.94
Roche	265,004	46,147,145	1.66
<b>Derivatives 0.23% (0.31%)</b>			
<b>AUD Forward Foreign Currency Contracts 0.23% (0.04%)</b>			
Forward Foreign Currency Contracts 15/01/15	AUD (234,269,560)	(122,872,302)	(4.44)
Forward Foreign Currency Contracts 15/01/15	£127,407,528	127,407,528	4.60
Forward Foreign Currency Contracts 15/01/15	AUD (49,872,000)	(26,157,421)	(0.94)
Forward Foreign Currency Contracts 15/01/15	£26,946,579	26,946,578	0.97
Forward Foreign Currency Contracts 15/01/15	AUD (40,187,000)	(21,077,724)	(0.76)
Forward Foreign Currency Contracts 15/01/15	£22,225,818	22,225,818	0.80
<b>Portfolio of investments</b>		<b>2,532,467,316</b>	<b>91.35</b>
<b>Net current assets</b>		<b>239,711,233</b>	<b>8.65</b>
<b>Total Net Assets</b>		<b>2,772,178,549</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Belgium, Ireland, Israel and EUR Forward Foreign Currency Contracts portfolio categories, which, at 30 June 2014, represented 0.53%, 0.46%, 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

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		92,188,479		87,725,264
Revenue	27,696,940		34,187,787	
Expenses	(17,721,168)		(19,506,892)	
Finance costs: Interest	(4,975)		-	
Net revenue before taxation	9,970,797		14,680,895	
Taxation	(697,472)		(755,214)	
Net revenue after taxation		<u>9,273,325</u>		<u>13,925,681</u>
<b>Total return before distributions</b>		<b>101,461,804</b>		<b>101,650,945</b>
Finance costs: Distributions		(24,393,178)		(30,176,450)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>77,068,626</u></b>		<b><u>71,474,495</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		2,815,645,384		2,972,894,417
Amounts receivable on issue of shares	46,858,747		70,161,888	
Amounts payable on cancellation of shares	(180,917,082)		(180,379,289)	
		<u>(134,058,335)</u>		<u>(110,217,401)</u>
Stamp Duty Reserve Tax		-		(118,094)
Change in net assets attributable to Shareholders from investment activities (see above)		77,068,626		71,474,495
Retained distributions on accumulation shares		13,521,680		16,882,733
Unclaimed distributions		1,194		561
<b>Closing net assets attributable to Shareholders</b>		<b><u>2,772,178,549</u></b>		<b><u>2,950,916,711</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		2,532,467,316		2,638,260,297
Debtors	13,496,622		15,345,898	
Cash and bank balances	249,905,804		194,684,911	
Total other assets		<u>263,402,426</u>		<u>210,030,809</u>
Total assets		2,795,869,742		2,848,291,106
<b>LIABILITIES</b>				
Creditors	(13,420,156)		(12,647,863)	
Distribution payable on income shares	(10,271,037)		(19,997,859)	
Total other liabilities		<u>(23,691,193)</u>		<u>(32,645,722)</u>
Total liabilities		(23,691,193)		(32,645,722)
<b>Net assets attributable to Shareholders</b>		<u><b>2,772,178,549</b></u>		<u><b>2,815,645,384</b></u>

**Distribution Statements**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio Transaction cost**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		662,951,571		455,077,789
Commissions	242,658		201,651	
Taxes	<u>733,732</u>		<u>729,664</u>	
Total purchase costs		976,390		931,315
<b>Gross purchases total</b>		<b><u>663,927,961</u></b>		<b><u>456,009,104</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		850,674,411		448,531,986
Commissions	(365,867)		(263,198)	
Taxes	<u>(6,920)</u>		<u>(9,677)</u>	
Total sales costs		(372,787)		(272,875)
<b>Total sales net of transaction costs</b>		<b><u>850,301,624</u></b>		<b><u>448,259,111</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET DIVERSIFIED RETURN FUND (FORMERLY  
NEWTON PHOENIX MULTI-ASSET FUND)**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£97.16m
Performance Reference:	LIBOR GBP 1 Month +2% (From 02/01/2015: LIBOR GBP 1 Month +3%)
Sector:	The Investment Association Mixed Investment 20-60% Shares (From 02/01/2015: The Investment Association Specialist)

Yield as at 31 December 2014:

Sterling Income Shares	1.56%
Sterling Accumulation Shares	1.54%
Exempt Shares 2 (Net Accumulation)	2.17%
Institutional Shares W (Net Income)	2.30%
Institutional Shares W (Net Accumulation)	2.26%
Retail Advised Shares B (Net Income)	2.06%
Retail Advised Shares B (Net Accumulation)	2.03%
X Shares (Net Accumulation)	2.51%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	5.59%	5.22%	7.60%	-1.82%	11.58%
Sterling Accumulation Shares	5.59%	5.22%	7.61%	-1.82%	11.58%
Exempt Shares 2 (Net Accumulation)	6.29%	5.91%	8.28%	-1.18%	12.32%
Institutional Shares W (Net Income)*	6.40%	6.01%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	6.39%	6.02%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	6.14%	5.76%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	6.14%	5.76%	n/a	n/a	n/a
X Shares (Net Accumulation)*	6.92%	n/a	n/a	n/a	n/a
LIBOR GBP 1 Month + 2%	2.50%	2.49%	2.63%	2.65%	2.56%

Source: Lipper as at 31 December 2014 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned +1.79% against a return of +1.24% for LIBOR GBP 1 Month + 2%.

In equities, top individual contributors to performance included Philippine utilities companies Energy Development and First Gen, Chinese e-commerce firm Alibaba and US tech giant Apple. Among the detractors were French industrial cable company Nexans and additive manufacturing company Arcam. Within alternative investments, infrastructure holdings continued to provide a stable core to the Fund's performance. In the Fund's fixed-interest holdings, government bonds— debt issued by governments – contributed positively. However, holdings in high-yield bonds – debt rated below BBB by the credit rating agency Standard and Poor's – were less successful, given the weakness of South African department store Edcon, whose bond price fell as investors became concerned about the availability of credit in South Africa.

During the period, the Fund disposed of holdings in government bonds through sales of UK Gilts and the holding of New South Wales index-linked bonds. The Fund also sold positions in the Ecuador 9.375 2015 bond and the Brazilian JBS Investments 7.75% 2020 corporate bond— debt issued by companies, which had performed well since purchase. Within equities, the Fund sold Balfour Beatty on frustration with the direction in which management was taking the business. The Fund also sold Fresenius Medical Care, reduced the holding in Apple following the company's re-rating, and sold the position in the Biotech Growth Trust, as the biotechnology sector has a seen significant re-rating over the last three years. New positions included US drugstore Walgreens, which part owns UK retail pharmacy chain Boots; Bank Leumi of Israel, which looked significantly discounted compared with its global peers; UK pub group Mitchells & Butlers and UK betting company Betfair; and participated in the initial public offering of Alibaba. In alternatives, the Fund initiated a position in the Blackstone GSO loan fund, which offered exposure to the equity tranche of collateralised loan obligations (CLOs), and added to the position in private equity group Oakley Capital, which was trading at about a 20% discount to net asset value.

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

#### Purchases

Pershing Square Holdings Fund  
 Blackstone  
 International Public Partnership  
 US Treasury 3.375% Inflation Indexed Bonds 15/4/2032  
 Wolters Kluwer  
 Walgreen  
 Oakley Capital Investments  
 Foresight Solar Fund  
 Samsonite International  
 Betfair

#### Sales

Treasury 4.25% Gilt 7/12/2040  
 New South Wales Treasury 2.75% Index Linked 20/11/2025  
 International Public Partnership  
 John Laing Infrastructure  
 HICL Infrastructure  
 Treasury 3.25% Gilt 22/1/2044  
 Boparan 9.875% Bonds 30/4/2018  
 Cable & Wireless International Finance 8.625% Bonds 25/3/2019  
 Alibaba  
 Nara Cable Funding 8.875% Bonds 1/12/2018

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	126.31	113.46	1.5934
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
<b>Sterling Accumulation Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	143.47	127.70	1.7986
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	2.9224
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	148.24	131.17	2.7652
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	4.2269
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	102.44	100.19	0.6158
2013	109.98	101.66	2.4300
2014	111.08	103.85	2.7330
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	102.44	100.19	0.6156
2013	110.66	102.30	2.4556
2014	115.97	106.94	2.8320
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	101.15	99.16	0.7489
2013	108.32	100.22	2.1447
2014	109.40	102.36	2.4348
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	101.15	99.16	0.7489
2013	109.12	100.99	2.1708
2014	113.96	105.29	2.5269
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2013 (from 21 May)	100.23	93.53	2.4842
2014	105.85	97.22	3.0882

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	19,358,651	124.16	15,591,071
30/06/2013	17,184,278	130.81	13,137,078
30/06/2014	12,450,314	137.08	9,082,806
31/12/2014	12,669,718	138.33	9,159,089
<b>Sterling Accumulation Shares</b>		<b>Pence</b>	
30/06/2012	91,865,779	144.80	63,442,649
30/06/2013	85,030,287	154.77	54,939,525
30/06/2014	68,170,757	165.03	41,308,502
31/12/2014	62,811,229	167.80	37,432,246
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	46,918,385	151.10	31,051,811
30/06/2013	2,870,609	162.51	1,766,463
30/06/2014	3,076,290	174.41	1,763,785
31/12/2014	2,669,698	177.93	1,500,397
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	239,177	102.59	233,147
30/06/2014	1,662,798	107.51	1,546,602
31/12/2014	1,784,939	108.50	1,645,081
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	931,926	104.49	891,863
30/06/2014	4,922,432	112.25	4,385,083
31/12/2014	5,177,123	114.58	4,518,545
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,094	101.15	5,036
30/06/2014	5,449	106.00	5,141
31/12/2014	5,567	106.95	5,205
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	12,083	103.02	11,728
30/06/2014	64,639	110.41	58,545
31/12/2014	165,270	112.56	146,828
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	10,753,155	94.70	11,355,346
30/06/2014	11,610,536	102.25	11,355,346
31/12/2014	11,880,467	104.62	11,355,346

**Statistics (continued)**

**Ongoing Charges**

Share Class	31/12/2014 %	30/06/2014 %
Sterling Income Shares	1.68	1.65
Sterling Accumulation Shares	1.68	1.65
Exempt Shares 2 (Net Accumulation)	0.86	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)	1.04	1.00
Retail Advised Shares B (Net Accumulation)	1.04	1.01
X Shares (Net Accumulation)	0.11	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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Overseas Government Bonds 5.30% (5.44%)</b>			
Brazil Letras do Tesouro Nacional 0% Bonds 1/7/2016	BRL2,670,000	536,665	0.55
Fiji Islands (Republic of) 9% Bonds 15/3/2016	USD850,000	579,286	0.60
Mongolia (Government) 4.125% European Medium Term Notes 5/1/2018	USD950,000	566,619	0.58
New Zealand 5.5% Bonds 15/4/2023	NZD3,500,000	1,984,271	2.04
US Treasury 3.375% Inflation Indexed Bonds 15/4/2032	USD904,600	1,104,491	1.14
Venezuela (Government) 5.75% Bond 26/2/2016	USD943,500	376,674	0.39
<b>Sterling Denominated Corporate Bonds 8.01% (9.32%)</b>			
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£580,000	1,084,809	1.12
Chorus 6.75% Guaranteed European Medium Term Notes 6/4/2020	£500,000	577,550	0.59
National Grid Gas 4.1875% Bonds 14/12/2022	£755,000	1,522,646	1.57
Scottish Widows 5.5% Bonds 16/6/2023	£640,000	686,848	0.71
Standard Chartered 8.103% Guaranteed Perpetual Subordinated Floating Rate Bonds	£1,131,000	1,179,181	1.21
Tesco 4% European Medium Term Bonds 8/9/2016	£679,000	1,090,114	1.12
Tesco Property Finance 3 5.744% Guaranteed Mortgage Backed Bonds 13/4/2040	£700,836	695,776	0.72
Unique Pub Finance 5.659% Bonds 30/6/2027	£961,370	945,136	0.97
<b>Non-Sterling Denominated Corporate Bonds 6.17% (8.27%)</b>			
Altice Financing 8% Bonds 15/12/2019	EUR500,000	411,831	0.42
Breeze Finance 0% Bonds 19/4/2027	EUR635,833	201,820	0.21
Bumi Investment 10.75% 6/10/2017	USD800,000	114,157	0.12
China Culiangwang Beverages 10% Bonds 12/4/2016	CNY2,789,787	179,164	0.18
China Culiangwang Beverages 7% Bonds 12/4/2016	CNY3,640,000	167,435	0.17
Cirsa Funding Luxembourg 8.75% 15/5/2018	EUR600,000	477,839	0.49
Detour Gold 5.5% Bonds 30/11/2017	USD1,083,000	614,256	0.63
Drill Rigs 6.5% Bonds 1/10/2017	USD453,000	239,683	0.25
Edcon 13.375% Bonds 30/6/2019	EUR422,000	117,900	0.12
Ineos Finance Plc 7.25% Senior Floating Rate European Medium Term Notes 15/2/2019	EUR340,000	267,498	0.27
Nitrogenmuvek Vegyipari 7.875% Bonds 21/5/2020	USD840,000	535,354	0.55
Pacific Drilling 7.25% Bonds 1/12/2017	USD610,000	352,092	0.36
Palo Alto Networks 0% Bonds 1/7/2019	USD500,000	405,042	0.42
PT Jersey 0.5% Bonds 19/11/2019	EUR300,000	245,508	0.25
Sprint 7.125% Bonds 15/6/2024	USD559,000	333,410	0.34
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD882,000	547,273	0.56
Tullow Oil 6% Bonds 1/11/2020	USD698,000	371,550	0.38
Viridian Group Fund 11.125% Guaranteed Notes 1/4/2017	EUR526,000	436,785	0.45
<b>United Kingdom 8.96% (9.53%)</b>			
Bank of Georgia	19,610	407,104	0.42
Betfair	28,815	451,243	0.46
BG	26,445	228,723	0.23
BHP Billiton	15,552	215,939	0.22
Blackstone	1,938,021	1,519,073	1.56
British American Tobacco	13,498	472,430	0.49
Centrica	100,908	281,432	0.29
Dixons Carphone	110,302	509,154	0.52
GlaxoSmithKline	27,055	372,277	0.38
Imagination Technologies	271,640	620,697	0.64
Infinis Energy	92,000	200,560	0.21
Jardine Lloyd Thompson	36,536	326,266	0.34
Ladbrokes	217,273	240,087	0.25
Merlin Entertainments	69,929	277,338	0.29
Mitchells & Butlers	181,622	693,070	0.71
Old Mutual	147,952	281,849	0.29
Prudential	19,232	286,941	0.29
Reed Elsevier	23,650	259,677	0.27
Renishaw	8,268	162,053	0.17

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>United Kingdom (continued)</b>			
SSE	26,380	427,884	0.44
Wolseley	13,002	479,254	0.49
<b>Preference Shares 1.19% (0.34%)</b>			
Balfour Beatty	293,468	334,553	0.34
Doric Nimrod Air Three	805,000	829,150	0.85
<b>Investment Trusts 27.40% (22.27%)</b>			
BH Global - GBP shares	129,047	1,593,730	1.64
BH Macro - GBP shares	94,245	1,926,368	1.98
Bilfinger Berger Global	664,431	828,878	0.85
BlueCrest Allblue Fund	1,034,624	1,926,470	1.98
Bluefield Solar Income Fund	1,783,054	1,836,546	1.89
CQS Diversified Fund	991,611	1,056,066	1.09
Foresight Solar Fund	592,529	617,711	0.64
GCP Infrastructure Investments Fund	1,862,063	2,262,407	2.33
Greencoat UK Wind	623,707	692,315	0.71
HICL Infrastructure	1,192,156	1,818,038	1.87
ICG-Longbow Senior Secured UK Property Debt	1,142,649	1,194,068	1.23
International Public Partnership	1,429,174	1,932,243	1.99
Invista European Real Estate Trust	1,876,015	18,760	0.02
John Laing Infrastructure	1,203,107	1,477,415	1.52
NB Global Floating Rate Income Fund	532,823	529,093	0.54
Oakley Capital Investments	1,252,091	1,909,439	1.97
Pershing Square Holdings Fund	127,500	1,960,847	2.02
Renewables Infrastructure	1,951,206	2,024,376	2.08
Starwood European Real Estate Finance	964,352	1,024,624	1.05
<b>Commodities 2.88% (2.81%)</b>			
ETFS Metal Securities Physical Platinum (USD)	6,965	519,589	0.53
Physical Gold Source P-ETC	30,207	2,283,469	2.35
<b>Collective Investment Schemes 1.10% (0.75%)</b>			
Fair Oaks Income Fund	1,609,793	1,068,549	1.10
<b>Canada 0.33% (0.31%)</b>			
Intact Financial	6,859	318,454	0.33
<b>Cayman Islands 0.81% (0.00%)</b>			
Sands China	97,200	307,072	0.32
Shenguan	993,000	210,233	0.22
Yingde Gases	589,142	264,077	0.27
<b>United States of America 8.35% (5.37%)</b>			
Accenture	8,567	490,697	0.51
American Residential Properties	60,465	680,946	0.70
Apple	8,276	585,862	0.60
Applied Materials	20,184	322,582	0.33
Citigroup	6,860	238,104	0.25
Heartware International	5,636	265,417	0.27
Intuit	4,134	244,421	0.25
Materialise (sponsored ADR representing 1 ordinary share each)	64,554	392,064	0.40
NB Distressed Debt	589,172	453,427	0.47
Reynolds American	6,827	281,311	0.29
Silver Bay Realty	75,972	806,860	0.83
Sysco	12,337	313,954	0.32
Taiwan Semiconductor Manufacturing ADS (each representing 5 ordinary shares)	21,972	315,224	0.32
TBC Bank GDR(representing 1 ordinary share each)	70,895	559,249	0.58

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United States of America (continued)</b>			
Teva Pharmaceutical Industries ADR (each convertible into 1 ordinary share)	17,867	658,876	0.68
United Technologies	4,691	345,977	0.36
Walgreen	9,952	485,393	0.50
Wiley(John)& Sons	2,318	88,082	0.09
Yum! Brands	12,479	582,954	0.60
<b>Brazil 0.41% (0.69%)</b>			
CCR	63,267	235,068	0.24
International Meal	56,882	163,175	0.17
<b>Mexico 0.66% (0.62%)</b>			
Fibra Shop	773,098	639,120	0.66
<b>Australia 0.27% (0.00%)</b>			
Mesoblast	113,576	258,107	0.27
<b>New Zealand 0.40% (0.38%)</b>			
Telecom	247,457	385,770	0.40
<b>Hong Kong 1.50% (1.24%)</b>			
AIA	200,400	712,651	0.73
Link Real Estate Investment Trust	186,782	749,182	0.77
<b>India 1.22% (1.43%)</b>			
Fortis Healthcare	272,793	307,372	0.32
ITC	106,425	398,457	0.41
Jain Irrigation Systems	242,891	172,870	0.18
Jain Irrigation Systems (Differential Voting Rights)	7,297	3,796	0.00
Larsen & Toubro	19,804	300,610	0.31
<b>Japan 1.31% (1.89%)</b>			
Softbank	10,300	397,187	0.41
Sugi	15,000	394,766	0.41
Toyota Motor	11,800	477,059	0.49
<b>Philippines 1.16% (1.21%)</b>			
Energy Development	4,599,900	540,783	0.56
First Gen	1,210,100	442,408	0.46
LT	756,000	131,367	0.14
<b>Singapore 0.97% (0.84%)</b>			
Mapletree Greater	1,270,000	580,849	0.60
Mapletree Logistics Trust	623,000	357,301	0.37
<b>Thailand 1.50% (1.42%)</b>			
Bangkok Bank	57,900	220,091	0.23
Intouch	9,274	14,146	0.01
Intouch (non-voting Depository Receipts)	229,862	351,743	0.36
Tesco Lotus Retail Growth Freehold & Leasehold Property	3,648,678	874,841	0.90
<b>South Africa 0.60% (0.61%)</b>			
Life Healthcare	170,232	403,154	0.41
Naspers class 'N' shares	2,153	180,838	0.19
<b>France 1.34% (1.50%)</b>			
Nexans	16,748	330,138	0.34
Sanofi	10,749	629,816	0.65
Total	10,179	335,851	0.35

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Germany 1.23% (0.79%)</b>			
Bayer	4,412	388,453	0.40
Brenntag	8,211	297,777	0.31
Infineon Technologies	44,230	302,716	0.31
Rocket Internet	5,092	204,937	0.21
<b>Ireland 0.42% (0.00%)</b>			
CRH	26,382	407,334	0.42
<b>Israel 0.85% (1.51%)</b>			
Bank Hapoalim	127,344	385,322	0.40
Bank Leumi Le-Israel	197,174	432,839	0.45
<b>Italy 0.28% (0.15%)</b>			
Pirelli	31,468	273,518	0.28
<b>Luxembourg 0.47% (0.00%)</b>			
Samsonite International	242,605	461,465	0.47
<b>Netherlands 0.83% (0.00%)</b>			
Wolters Kluwer	41,179	810,126	0.83
<b>Sweden 0.81% (1.05%)</b>			
Arcam	31,668	374,895	0.39
Kinnevik	19,425	406,128	0.42
<b>Switzerland 1.45% (1.48%)</b>			
Novartis	12,882	767,424	0.79
Roche	3,663	637,866	0.66
<b>Derivatives 0.23% (0.44%)</b>			
<b>Options 0.05% (0.10%)</b>			
FTSE 100 Index February 2015 7000 (Call Option)	£142	9,940	0.01
FTSE 100 Index January 2015 6800 (Call Option)	£144	7,200	0.01
S&P 500 Index January 2015 1900 (Put Option)	USD124	31,015	0.03
<b>AUD Forward Foreign Currency Contracts 0.01% (0.00%)</b>			
Forward Foreign Currency Contracts 13/02/15	AUD(559,879)	(293,102)	(0.30)
Forward Foreign Currency Contracts 13/02/15	£300,687	300,687	0.31
<b>CHF Forward Foreign Currency Contracts 0.01% (0.06%)</b>			
Forward Foreign Currency Contracts 13/02/15	CHF(2,266,000)	(1,463,999)	(1.51)
Forward Foreign Currency Contracts 13/02/15	£1,479,138	1,479,138	1.52
<b>EUR Forward Foreign Currency Contracts 0.09% (0.08%)</b>			
Forward Foreign Currency Contracts 12/03/15	EUR(9,000,462)	(6,992,671)	(7.20)
Forward Foreign Currency Contracts 12/03/15	£7,080,933	7,080,933	7.29
<b>JPY Forward Foreign Currency Contracts 0.15% (0.02%)</b>			
Forward Foreign Currency Contracts 15/01/15	JPY(334,840,000)	(1,791,402)	(1.84)
Forward Foreign Currency Contracts 15/01/15	£1,930,622	1,930,622	1.99
<b>NZD Forward Foreign Currency Contracts -0.08% (0.02%)</b>			
Forward Foreign Currency Contracts 15/01/15	NZD(4,147,987)	(2,077,093)	(2.14)
Forward Foreign Currency Contracts 15/01/15	£1,999,967	1,999,967	2.06

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>USD Forward Foreign Currency Contracts 0.00% (0.16%)</b>			
Forward Foreign Currency Contracts 12/03/15	USD(15,129,228)	(9,707,975)	(9.99)
Forward Foreign Currency Contracts 12/03/15	£9,708,440	9,708,440	9.99
<b>Portfolio of investments*</b>		<b>85,898,670</b>	<b>88.41</b>
<b>Net current assets</b>		<b>11,265,341</b>	<b>11.59</b>
<b>Total Net Assets</b>		<b>97,164,011</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the period ended 31 December 2014, the Fund disposed of its holdings in the categories UK Government Bonds, China, Taiwan, Belgium & Denmark which, at 30 June 2014, represented 2.51%, 0.72%, 0.31%, 0.43% and 0.39% 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

ADS = American Depositary Share

\*Net of investment liabilities.

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		918,988		2,345,145
Revenue	1,594,874		1,847,219	
Expenses	<u>(682,854)</u>		<u>(835,971)</u>	
Net revenue before taxation	912,020		1,011,248	
Taxation	<u>(47,818)</u>		<u>(81,894)</u>	
Net revenue after taxation		<u>864,202</u>		<u>929,354</u>
<b>Total return before distributions</b>		<b>1,783,190</b>		<b>3,274,499</b>
Finance costs: Distributions		(863,481)		(939,158)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>919,709</u></b>		<b><u>2,335,341</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		101,963,215		117,026,609
Amounts receivable on issue of shares	3,272,451		2,196,857	
Amounts payable on cancellation of shares	<u>(9,722,122)</u>		<u>(11,710,654)</u>	
		(6,449,671)		(9,513,797)
Dilution adjustment		4,325		5,177
Stamp Duty Reserve Tax		-		(2,257)
Change in net assets attributable to Shareholders from investment activities (see above)		919,709		2,335,341
Retained distributions on accumulation shares		725,598		784,803
Unclaimed distributions		835		9,110
<b>Closing net assets attributable to Shareholders</b>		<b><u>97,164,011</u></b>		<b><u>110,644,986</u></b>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		85,975,796		87,713,806
Debtors	467,459		1,017,124	
Cash and bank balances	<u>11,799,977</u>		<u>14,525,216</u>	
Total other assets		<u>12,267,436</u>		<u>15,542,340</u>
Total assets		98,243,232		103,256,146
<b>LIABILITIES</b>				
Investment liabilities		(77,126)		(2,309)
Creditors	(885,521)		(1,140,994)	
Distribution payable on income shares	<u>(116,574)</u>		<u>(149,628)</u>	
Total other liabilities		<u>(1,002,095)</u>		<u>(1,290,622)</u>
Total liabilities		(1,079,221)		(1,292,931)
<b>Net assets attributable to Shareholders</b>		<u><b>97,164,011</b></u>		<u><b>101,963,215</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Sterling Accumulation Shares</b>						
Group 1	1.4038	0.1404	1.2634	0.0000	1.2634	1.1564
Group 2	0.4717	0.0472	0.4245	0.8389	1.2634	1.1564
<b>Exempt Shares 2 (Net Accumulation)</b>						
Group 1	2.1347	0.2135	1.9212	0.0000	1.9212	1.7655
Group 2	0.4750	0.0475	0.4275	1.4937	1.9212	1.7655
<b>Institutional Shares W (Net Income)</b>						
Group 1	1.3772	0.1377	1.2395	0.0000	1.2395	1.1667
Group 2	0.7717	0.0772	0.6945	0.5450	1.2395	1.1667
<b>Institutional Shares W (Net Accumulation)</b>						
Group 1	1.4378	0.1438	1.2940	0.0000	1.2940	1.1874
Group 2	0.3397	0.0340	0.3057	0.9883	1.2940	1.1874
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	1.2069	0.1207	1.0862	0.0000	1.0862	1.0278
Group 2	0.7920	0.0792	0.7128	0.3734	1.0862	1.0278
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>X Shares (Net Accumulation)</b>						
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

				<b>Utilised foreign tax (£)</b>	<b>foreign tax (pence per share)</b>
<b>Interim distributions for 31 December 2014</b>	<b>Franked (%)</b>	<b>Unfranked (%)</b>			
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

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		19,089,008		23,742,665
Commissions	6,419		11,406	
Taxes	<u>15,261</u>		<u>15,572</u>	
Total purchase costs		21,680		26,978
<b>Gross purchases total</b>		<b><u>19,110,688</u></b>		<b><u>23,769,643</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		22,502,259		30,864,644
Commissions	(6,433)		(10,324)	
Taxes	<u>(2,921)</u>		<u>(1,157)</u>	
Total sales costs		(9,354)		(11,481)
<b>Total sales net of transaction costs</b>		<b><u>22,492,905</u></b>		<b><u>30,853,163</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON MULTI-ASSET GROWTH FUND  
(FORMERLY NEWTON MANAGED FUND)**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,456.71m
Comparative Index:	The Investment Association Flexible Investment Sector
Sector:	The Investment Association Flexible Investment

Yield as at 31 December 2014:

Sterling Income Shares	1.02%
Institutional Shares (Accumulation)	1.50%
Institutional Shares W (Net Income)	1.76%
Institutional Shares W (Net Accumulation)	1.72%
Retail Advised Shares B (Net Income)	1.48%
Retail Advised Shares B (Net Accumulation)	1.12%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	9.69%	20.72%	11.38%	-8.77%	13.39%
Institutional Shares (Accumulation)	10.32%	21.42%	12.02%	-8.24%	14.04%
Institutional Shares W (Net Income)*	10.59%	21.71%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	10.59%	21.73%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	10.24%	21.32%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	10.24%	21.34%	n/a	n/a	n/a
IMA Flexible Investment**	4.88%	15.37%	10.19%	-8.45%	14.59%

Source: Lipper as at 31 December 2014 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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 2 January 2015, the IMA will be known as The Investment Association.

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 six-month period in review, the Sterling Income Share Class of the Sub-Fund returned +8.19% compared with +3.68% from The Investment Association Flexible Investment Sector.

The Fund delivered good performance in the second half of 2014, ahead of the comparative sector. The position in equities, which is higher than several peers, was the principal reason for outperformance. Media stocks, Wolters Kluwer and Reed Elsevier both performed well after reporting positive trading updates. Carphone Warehouse benefited from its merger with Dixons and the increasing expectations for synergies. US consumer stocks TJX, Walt Disney and Dollar General benefited from an improving consumer environment. The Fund's holdings in IT companies made a positive contribution. Sage's new CEO announced a good set of maiden results and that the strategy for growth would be maintained. Intuit and Microsoft rose on the back of better expectations for IT spending. The decision to underweight energy and mining stocks was a positive relative contribution to performance as the oil price fell below US\$60 a barrel, although equities with exposure, such as BP, detracted from absolute performance. Danish telecoms operator TDC was a detractor to performance as the loss of a major government contract triggered a profit warning. The relative underweight in longer dated government bonds meant missing out on some of the strongest performing part of the fixed income market.

The fund manager continues to find attractive opportunities in cash-generative IT and added a new position in Cisco, provider of corporate IT solutions. A holding in the UK life insurer Prudential was added to the Fund as the fund manager sees potential for significant growth in Asia over several years. A holding in Northeast Utilities (NU), a US utility located in areas with growing demand for power and gas infrastructure, was added, as it offers both decent levels of regulated returns and the potential to significantly grow its asset base. A new position was established in Sysco, a US distributor of food-related products as the fund manager saw the potential for cost reduction. The Fund took profits in the US regional bank PNC where the valuation looked full. Two internet companies were sold; eBay and Google, where growth expectations were looking harder to achieve and expenditure was increasing. Exposure was reduced to European telecoms with the sale of TeliSonera where pricing continued to show signs of competitive pressure.

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

Purchases	Sales
Cisco	BP
USA Treasury Bonds 1.375% TII 30/11/2018	Total
Prudential	eBay
Northeast Utilities	Smiths
Walgreen	Vodafone
Sysco	Citi
Reynolds American	Teliasonera
Betfair	Next
DNB	Pearson
Equifax	DNB

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 31 August)	102.64	99.10	0.4691
2013	121.69	102.19	2.4974
2014	132.88	117.55	2.1410
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 31 August)	102.64	99.10	0.4682
2013	124.16	102.67	2.5208
2014	138.19	120.93	2.2082
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 October)	100.28	96.85	0.5875
2013	118.53	99.70	2.0777
2014	129.42	114.56	1.7000
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 October)	100.28	96.85	0.5876
2013	120.92	100.29	1.6685
2014	134.15	117.74	1.7470

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	1,165,658,719	465.35	250,492,334
30/06/2013	1,248,032,944	548.84	227,394,960
30/06/2014	1,236,423,589	591.71	208,956,140
31/12/2014	1,265,032,885	638.21	198,214,223
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	73,168,676	528.25	13,851,112
30/06/2013	81,418,744	636.79	12,785,837
30/06/2014	84,505,293	698.10	12,105,042
31/12/2014	98,859,369	755.34	13,088,047
<b>P Shares (Net Income)**</b>		<b>Pence</b>	
30/06/2012	15,187	101.25	15,000
30/06/2013	23,800	119.41	19,932

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

<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	3,088,705	112.42	2,747,563
30/06/2014	30,690,278	121.22	25,318,585
31/12/2014	64,978,615	130.77	49,690,958

<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	1,585,485	114.70	1,382,300
30/06/2014	11,383,502	126.06	9,030,421
31/12/2014	20,035,521	136.56	14,671,189

<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,216,686	109.67	4,756,690
30/06/2014	6,726,499	118.25	5,688,500
31/12/2014	7,564,022	127.55	5,930,143

<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	34,465	111.89	30,803
30/06/2014	169,882	122.57	138,602
31/12/2014	238,596	132.57	179,981

**Ongoing Charges**

Share Class	31/12/2014	30/06/2014
	%	%
Sterling Income Shares	1.62	1.62
Institutional Shares (Accumulation)	1.05	1.05
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, Depository, 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 31 December 2014

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Overseas Government Bonds 2.93% (0.00%)</b>			
USA Treasury Bonds 1.375% TII 30/11/2018	50,000,000	31,996,553	2.20
USA Treasury Bonds 4.375% TII 15/11/2039	12,600,000	10,593,434	0.73
<b>Sterling Denominated Corporate Bonds 2.05% (3.85%)</b>			
British Telecommunications 3.50% Index Linked 25/04/2025	3,680,000	7,144,625	0.49
Daily Mail & General Trust 5.75% Bonds 07/12/2018	8,000,000	9,019,124	0.62
Network Rail Infrastructure Finance 1.75% Index Linked 22/11/2027	4,000,000	6,550,119	0.45
Tesco 3.322% Index Linked Notes 05/11/2025	4,428,000	7,215,603	0.49
<b>Non-Sterling Denominated Corporate Bonds 0.00% (0.00%)</b>			
ERC Ireland Finance FRN 15/08/2016	4,000,000	3,880	0.00
<b>United Kingdom 30.39% (34.66%)</b>			
Associated British Foods	100,000	3,153,000	0.22
AstraZeneca	426,000	19,406,430	1.33
Atkins (WS)	846,000	11,539,440	0.79
Betfair	1,000,000	15,660,000	1.07
BP	1,000,000	4,106,000	0.28
Bunzl	1,860,000	32,810,400	2.25
Chemring	2,500,000	5,893,750	0.40
Daily Mail & General Trust	1,096,000	9,020,080	0.62
Dixons Carphone	4,800,000	22,156,800	1.52
GlaxoSmithKline	800,000	11,008,000	0.76
Imagination Technologies	1,000,000	2,285,000	0.16
Kuala Warrants	2,144,996	0	0.00
Mitchells & Butlers	2,646,000	10,097,136	0.69
National Express	8,000,000	19,808,000	1.36
National Grid	2,096,000	19,239,184	1.32
Next	160,000	10,888,000	0.75
Prudential	1,860,000	27,751,200	1.90
QinetiQ	4,260,000	8,004,540	0.55
Reed Elsevier	4,800,000	52,704,000	3.62
Sage	10,860,000	50,575,020	3.47
Smith & Nephew	3,800,000	45,068,000	3.09
Standard Life	6,000,000	24,006,000	1.65
Whitbread	500,000	23,850,000	1.64
Workspace	1,800,000	13,770,000	0.95
<b>Investment Trusts 3.32% (3.32%)</b>			
BBGI SICAV S.A	10,000,000	12,475,000	0.86
HICL Infrastructure	10,960,000	16,714,000	1.15
John Laing Infrastructure Fund	15,600,000	19,156,800	1.31
Thompson Clive Investments	3,491	698	0.00
<b>United States of America 35.25% (28.72%)</b>			
Abbott	926,000	26,736,264	1.84
Accenture	428,000	24,514,786	1.68
Apple	260,000	18,405,516	1.26
Cisco	2,096,000	37,383,203	2.57
Dollar General	360,000	16,318,615	1.12
EMC	750,000	14,309,764	0.98
Equifax	749,985	38,902,541	2.67
Google	26,000	8,847,420	0.61
Hewlett-Packard	563,000	14,493,391	0.99
Interpublic	1,023,460	13,626,442	0.94
Intuit	386,000	22,822,088	1.57

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>United States of America (continued)</b>			
Johnson & Johnson	400,000	26,825,717	1.84
Medtronic	400,000	18,519,160	1.27
Merck & Company	563,000	20,505,224	1.41
Microsoft	900,000	26,810,967	1.84
Northeast Utilities	636,000	21,822,030	1.50
Principal Financial	1,096,000	36,501,703	2.51
Reynolds American	686,000	28,267,116	1.94
Sysco	896,000	22,801,526	1.56
TJX Companies	360,000	15,831,457	1.09
Walgreen	388,000	18,924,098	1.30
Walt Disney	336,000	20,290,370	1.39
Wiley (John) & Sons	526,000	19,987,494	1.37
<b>Hong Kong 1.62% (1.43%)</b>			
AIA	6,646,000	23,634,131	1.62
<b>Thailand 0.63% (0.58%)</b>			
Intouch	6,000,000	9,181,412	0.63
<b>Denmark 0.43% (1.53%)</b>			
TDC	1,260,000	6,202,006	0.43
<b>France 1.89% (3.86%)</b>			
Sanofi	469,000	27,480,113	1.89
<b>Germany 3.45% (3.41%)</b>			
Bayer	460,000	40,500,563	2.78
MTU Aero Engines	175,000	9,760,778	0.67
<b>Netherlands 3.70% (2.65%)</b>			
Wolters Kluwer	2,740,637	53,917,309	3.70
<b>Norway 0.49% (0.67%)</b>			
DNB	760,000	7,196,582	0.49
<b>Sweden 0.37% (2.54%)</b>			
Ericsson	700,000	5,407,930	0.37
<b>Switzerland 7.35% (7.32%)</b>			
Novartis	750,000	44,680,027	3.07
Roche	230,000	40,051,635	2.75
Swisscom	66,000	22,257,721	1.53
<b>Portfolio of investments</b>		<b>1,367,386,915</b>	<b>93.87</b>
<b>Net current assets</b>		<b>89,322,093</b>	<b>6.13</b>
<b>Total Net Assets</b>		<b>1,456,709,008</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Japan and Italy portfolio categories, which, at 30 June 2014, represented 0.63% and 0.44% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		106,652,417		97,825,624
Revenue	12,411,552		14,544,810	
Expenses	<u>(10,788,975)</u>		<u>(10,825,791)</u>	
Net revenue before taxation	1,622,577		3,719,019	
Taxation	<u>(618,154)</u>		<u>(472,818)</u>	
Net revenue after taxation		<u>1,004,423</u>		<u>3,246,201</u>
<b>Total return before distributions</b>		<b>107,656,840</b>		<b>101,071,825</b>
Finance costs: Distributions		(1,042,677)		(3,262,626)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>106,614,163</u></b>		<b><u>97,809,199</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		1,369,899,043		1,339,400,829
Amounts receivable on issue of shares	38,217,782		27,902,874	
Amounts payable on cancellation of shares	<u>(58,412,783)</u>		<u>(59,149,243)</u>	
		(20,195,001)		(31,246,369)
Stamp Duty Reserve Tax		-		(73,891)
Change in net assets attributable to Shareholders from investment activities (see above)		106,614,163		97,809,199
Retained distributions on accumulation shares		382,695		436,385
Unclaimed distributions		8,108		5,142
<b>Closing net assets attributable to Shareholders</b>		<b><u>1,456,709,008</u></b>		<b><u>1,406,331,295</u></b>

**Financial Statements (continued)**

**Balance Sheet**

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		1,367,386,915		1,309,817,451
Debtors	15,100,938		20,876,183	
Cash and bank balances	98,742,478		65,972,006	
Total other assets		113,843,416		86,848,189
Total assets		1,481,230,331		1,396,665,640
<b>LIABILITIES</b>				
Creditors	(23,875,283)		(15,194,343)	
Distribution payable on income shares	(646,040)		(11,572,254)	
Total other liabilities		(24,521,323)		(26,766,597)
Total liabilities		(24,521,323)		(26,766,597)
<b>Net assets attributable to Shareholders</b>		<b>1,456,709,008</b>		<b>1,369,899,043</b>

## Distribution Statement

for the six months ended 31 December 2014

### 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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
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
<b>Institutional Shares (Accumulation)</b>						
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
<b>Institutional Shares W (Net Income)</b>						
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
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
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
<b>Retail Advised Shares B (Net Accumulation)</b>						
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.

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		338,232,400		354,449,108
Commissions	195,181		222,628	
Taxes	<u>397,609</u>		<u>393,933</u>	
Total purchase costs		592,790		616,561
<b>Gross purchases total</b>		<b><u>338,825,190</u></b>		<b><u>355,065,669</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		387,868,820		369,784,303
Commissions	(256,794)		(236,627)	
Taxes	<u>(2,693)</u>		<u>(8,126)</u>	
Total sales costs		(259,487)		(244,753)
<b>Total sales net of transaction costs</b>		<b><u>387,609,333</u></b>		<b><u>369,539,550</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON ORIENTAL FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£370.43m
Comparative Index:	FTSE AW Asia Pacific ex Japan TR Index (GBP)
Sector:	The Investment Association Asia Pacific Excluding Japan

Yield as at 31 December 2014:

Sterling Income Shares	0.75%
Euro Accumulation Shares	0.26%
Exempt Shares 1 (Net Accumulation)	1.79%
Institutional Shares (Accumulation)	1.31%
P Shares (Net Income)	1.26%
Institutional Shares W (Net Income)	1.42%
Institutional Shares W (Net Accumulation)	1.38%
Retail Advised Shares B (Net Income)	1.02%
Retail Advised Shares B (Net Accumulation)	1.00%

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 Asian and in Pacific markets including Australia and New Zealand but excluding Japan.

**Statutory Performance Data**

From	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	3.33%	-3.81%	10.06%	-18.34%	30.93%
Euro Accumulation Shares	2.57%	-3.86%	9.13%	-18.44%	29.64%
Exempt Shares 1 (Net Accumulation)	4.44%	-2.79%	11.25%	-17.46%	32.33%
Institutional Shares (Accumulation)	3.92%	-3.26%	10.69%	-17.87%	31.65%
X Shares (Net Accumulation)*	n/a	-2.31%	11.81%	-17.05%	32.99%
P Shares (Net Income)*	3.93%	-3.27%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	4.17%	-3.07%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	4.18%	-3.06%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.84%	-3.38%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.84%	-3.39%	n/a	n/a	n/a
FTSE AW Asia Pacific ex Japan TR Index (GBP)	10.05%	1.32%	17.47%	-14.84%	23.88%

Source: Lipper as at 31 December 2014 – 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 and closure 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 six-month period in review, the Sterling Income Share Class of the Sub-Fund returned +0.39% compared with +5.77% from the FTSE AW Asia Pacific ex Japan index.

The Fund's exposure to the oil & gas sector was a key reason for underperformance, with the underweight position in financials also hurting performance. Large negative contributors at the stock level included oil explorers Santos of Australia and Oil Search of Papua New Guinea, which fell in sympathy with the weakening oil price. The build-up of credit and intense competition prompted caution on the banking systems of Asia and an underweight position. However, while being selective, unfortunately the Fund's preferred name, Standard Chartered, underperformed as the company issued a full-year profit warning and came under pressure from US regulators regarding its dealings with Iran. The top contributor was Apollo Hospitals, as the structural undersupply of healthcare services in India continued to create strong demand. Two Philippine holdings were notable positives: First Gen Corp outperformed following impressive first-half earnings, while Universal Robina benefited from strong sales of both its snack foods and its agricultural products.

Early in the period, the Fund reduced exposure to Chinese consumer companies, selling Sun Art (hypermarkets) and Biostime (baby milk), on worries over slowing sales, and Shenguan (sausage casings), given concerns that it had become a 'value trap'. (The 'trap' is sprung when investors buy into a company at low prices and the stock never improves.) Two Australian holdings were increased: Mesoblast (stem cells) and Veda (data analytics). In August, Apollo Hospitals was trimmed following strong performance, and a new holding in Yum! Brands (fast-food chains) also purchased. In September, the Fund bought into Alibaba (e-commerce) of China, took some profit from it after a strong debut in the initial public offering, and deployed the proceeds in Tencent, another leading Chinese internet company. PetroChina was also bought after a positive meeting with management. Going into the fourth quarter, cash was raised in anticipation of ongoing market volatility by selling out of WorleyParsons (oilfield services) and Keppel Corp (oil-rig manufacture), which looked vulnerable given the oil-price weakness. Yingde Gases (industrial gases) was also sold, given its exposure to Chinese steel companies. Some profits were taken in IHH (private hospitals), and exposure to Taiwan Semiconductor reduced. In November, Standard Chartered was reduced because of the heightened risk from its commodity exposure. Singapore's United Overseas Bank was sold and the holding in Australia & New Zealand Bank reduced, with the resultant cash used to build up positions in Bangkok Dusit Medical Services and Bangkok Bank, and to increase the weighting in Tencent.

The table below shows the top purchases and sales for the period.

#### Purchases

Alibaba (sponsored ADS representing 1 ordinary share each)  
Tencent  
Mesoblast  
Hero MotoCorp  
Bangkok Dusit Medical Services  
Bangkok Bank  
Intouch (non-voting Depository Receipts)  
Yum! Brands  
Veda  
PetroChina

#### Sales

Standard Chartered  
Taiwan Semiconductor Manufacturing  
Alibaba (sponsored ADS representing 1 ordinary share each)  
Keppel  
Santos  
Apollo Hospitals Enterprise  
IHH Healthcare  
Australia & New Zealand Banking  
United Overseas Bank  
Worleyparsons

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	577.02	408.27	3.1483
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
<b>Euro Accumulation Shares</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
2010	247.46	171.79	0.4619
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
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	402.07	279.83	5.2950
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	190.07	132.90	1.8225
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
<b>X Shares (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	408.30	282.90	6.8667
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.			
<b>P Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 22 June)	113.07	98.44	0.0000
2013	128.84	104.89	1.3797
2014	119.53	102.09	1.4539
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	107.12	98.74	n/a
2013	122.22	99.45	1.4736
2014	113.30	96.83	1.5875
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 4 September)	107.13	98.74	n/a
2013	122.22	100.81	1.4790
2014	116.62	98.15	1.6348

\*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*
<b>Retail Advised Shares B (Net Income)</b>			
2012 (from 26 September)	Pence 102.96	Pence 98.89	Pence n/a
2013	117.28	95.61	1.0220
2014	109.02	93.04	1.2055
<b>Retail Advised Shares B (Net Accumulation)</b>			
2012 (from 26 September)	Pence 102.96	Pence 98.89	Pence n/a
2013	117.28	96.53	1.0194
2014	111.41	93.95	1.2162
<b>P Shares (Net Accumulation)***</b>			
2012 (from 5 October)	Pence 100.35	Pence 96.39	Pence 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
<b>Sterling Income Shares</b>			
30/06/2012	403,800,443	Pence 467.22	86,426,494
30/06/2013	333,846,661	529.43	63,058,177
30/06/2014	226,787,520	498.38	45,505,340
31/12/2014	194,317,828	500.21	38,847,219
<b>Euro Accumulation Shares</b>			
30/06/2012	13,363,349	Cents 214.05	7,742,217
30/06/2013	11,129,523	228.69	5,678,627
30/06/2014	5,303,741	230.88	2,868,834
31/12/2014	4,800,952	238.50 **	2,593,853

\*\*Euro/Sterling exchange rate at close of business 31 December 2014: 1.288550

**Exempt Shares 1 (Net Accumulation)**

30/06/2012	5,606,659	Pence 334.45	1,676,357
30/06/2013	4,902,612	385.71	1,271,048
30/06/2014	3,270,285	369.58	884,865
31/12/2014	2,858,112	372.94	766,366

**Institutional Shares (Accumulation)**

30/06/2012	193,623,309	Pence 156.93	123,379,597
30/06/2013	147,574,071	180.10	81,941,809
30/06/2014	117,893,035	171.70	68,661,064
31/12/2014	109,277,620	172.83	63,229,407

**X Shares (Net Accumulation)\*\***

30/06/2012	6,074,505	Pence 342.18	1,775,213
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 (continued)**
**Net Asset Value History by Share Class (continued)**

Share class as at	Net Asset Value (£)	Per share	Shares in issue
<b>P Shares (Net Income)</b>		<b>Pence</b>	
30/06/2012	15,279	101.86	15,000
30/06/2013	386,485	115.43	334,808
30/06/2014	12,439	108.65	11,449
31/12/2014	12,683	109.37	11,596
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	48,889,119	109.37	44,701,491
30/06/2014	26,278,853	102.95	25,526,322
31/12/2014	25,997,436	103.75	25,057,554
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	20,502,919	110.84	18,497,581
30/06/2014	11,819,665	105.96	11,154,544
31/12/2014	12,617,508	106.79	11,815,231
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	22,433,789	105.30	21,305,044
30/06/2014	16,322,337	99.12	16,467,621
31/12/2014	20,538,932	99.73	20,594,342
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	8,180	106.32	7,694
30/06/2014	5,065	101.30	5,000
31/12/2014	5,096	101.92	5,000
<b>P Shares (Net Accumulation)***</b>		<b>Pence</b>	
30/06/2013	101,992	103.67	98,380

\*\*\*P Shares (Net Accumulation) share class closed 26 July 2013.

**Ongoing Charges**

Share Class	31/12/2014 %	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 (Accumulation)	1.11	1.09
X Shares (Net Accumulation)*	n/a	0.09
P Shares (Net Income)	1.10	1.09
Institutional Shares W (Net Income)	0.86	0.84
Institutional Shares W (Net Accumulation)	0.86	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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 1.20% (9.23%)</b>			
Standard Chartered	460,000	4,429,800	1.20
<b>Australia 19.26% (21.50%)</b>			
Amcor	800,000	5,693,442	1.54
Australia & New Zealand Banking	435,000	7,321,726	1.98
BHP Billiton	960,000	13,329,600	3.60
Insurance Australia	620,000	2,030,493	0.55
Mesoblast	5,200,000	11,817,252	3.19
Monash	922,581	673,046	0.18
Oil Search	3,300,000	13,509,329	3.65
Santos	1,140,000	4,924,135	1.33
Spotless	8,000,000	7,977,537	2.15
Veda	3,400,000	4,050,699	1.09
<b>New Zealand 2.51% (1.96%)</b>			
Meridian Energy	6,000,000	5,263,290	1.42
Telecom	2,600,000	4,053,235	1.09
<b>China 4.22% (1.61%)</b>			
Alibaba (sponsored ADS representing 1 ordinary share each)	84,000	5,599,461	1.51
Boshiwa*	27,000,000	0	0.00
Hengan International	1,240,000	8,280,853	2.23
PetroChina	2,500,000	1,773,937	0.48
<b>Hong Kong 17.79% (14.82%)</b>			
AIA	4,750,000	16,891,682	4.56
Belle International	7,550,000	5,438,460	1.47
Noble	34,700,000	19,061,320	5.15
Sands China	4,400,000	13,900,387	3.75
Tencent	800,000	7,443,091	2.01
Wynn Macau	1,750,000	3,140,571	0.85
<b>India 12.69% (10.44%)</b>			
Apollo Hospitals Enterprise	2,200,000	25,235,779	6.81
Fortis Healthcare	4,000,000	4,507,042	1.22
Hero MotoCorp	132,000	4,157,533	1.12
ITC	3,500,000	13,104,053	3.54
<b>Indonesia 3.37% (3.20%)</b>			
Indofood Sukses	12,800,000	8,666,423	2.34
Matahari Department Store	5,000,000	3,819,005	1.03
<b>South Korea 2.57% (1.98%)</b>			
Samsung Electronics	8,000	6,189,574	1.67
SK Hynix Semiconductors	120,000	3,343,350	0.90
<b>Malaysia 3.03% (3.72%)</b>			
IHH Healthcare	12,750,000	11,225,444	3.03

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Philippines 12.80% (10.44%)</b>			
Energy Development	30,000,000	3,526,925	0.95
First Gen	37,600,000	13,746,404	3.71
GT Capital	700,000	10,357,116	2.80
LT	18,779,800	3,263,282	0.88
Robinsons Retail	4,000,000	4,332,669	1.17
Universal Robina	4,400,000	12,193,984	3.29
<b>Singapore 0.00% (8.82%)</b>			
<b>Taiwan 5.54% (6.93%)</b>			
Taiwan Semiconductor Manufacturing	7,200,000	20,529,514	5.54
<b>Thailand 7.39% (4.24%)</b>			
Advanced Info Service (Alien Market)	800,000	3,914,283	1.06
Bangkok Bank	1,000,000	3,801,221	1.03
Bangkok Dusit Medical Services	11,000,000	3,688,159	0.99
Intouch (non-voting Depository Receipts)	9,000,000	13,772,118	3.72
Robinson Department Store	2,500,000	2,180,829	0.59
<b>United States of America 0.81% (0.00%)</b>			
Yum! Brands	64,000	2,989,745	0.81
<b>Portfolio of investments</b>		<b>345,147,798</b>	<b>93.18</b>
<b>Net current assets</b>		<b>25,278,369</b>	<b>6.82</b>
<b>Total Net Assets</b>		<b>370,426,167</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

\*Suspended.

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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains/(losses)		860,524		(46,358,621)
Revenue	5,189,856		6,705,047	
Expenses	<u>(2,802,940)</u>		<u>(3,818,245)</u>	
Net revenue before taxation	2,386,916		2,886,802	
Taxation	<u>-</u>		<u>(621,123)</u>	
Net revenue after taxation		<u>2,386,916</u>		<u>2,265,679</u>
<b>Total return before distributions</b>		<b>3,247,440</b>		<b>(44,092,942)</b>
Finance costs: Distributions		(227,414)		(218,990)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>3,020,026</u></b>		<b><u>(44,311,932)</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		414,446,221		596,802,212
Amounts receivable on issue of shares	5,802,523		9,872,138	
Amounts payable on cancellation of shares	<u>(52,859,941)</u>		<u>(71,552,118)</u>	
		(47,057,418)		(61,679,980)
Dilution adjustment		17,338		80,138
Stamp Duty Reserve Tax		-		(11,362)
Change in net assets attributable to Shareholders from investment activities (see above)		3,020,026		(44,311,932)
Unclaimed distributions		-		2,624
<b>Closing net assets attributable to Shareholders</b>		<b><u>370,426,167</u></b>		<b><u>490,881,700</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		345,147,798		409,864,450
Debtors	86,741		4,458,311	
Cash and bank balances	<u>26,806,450</u>		<u>5,515,346</u>	
Total other assets		<u>26,893,191</u>		<u>9,973,657</u>
Total assets		372,040,989		419,838,107
<b>LIABILITIES</b>				
Creditors	(1,614,822)		(3,190,736)	
Distribution payable on income shares	<u>-</u>		<u>(2,201,150)</u>	
Total other liabilities		<u>(1,614,822)</u>		<u>(5,391,886)</u>
Total liabilities		(1,614,822)		(5,391,886)
<b>Net assets attributable to Shareholders</b>		<u><b>370,426,167</b></u>		<u><b>414,446,221</b></u>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Analysis of total purchase costs:				
Purchases before transaction costs		49,304,848		31,272,951
Commissions	48,105		82,752	
Taxes	<u>17,821</u>		<u>1,312</u>	
Total purchase costs		65,926		84,064
<b>Gross purchases total</b>		<b><u>49,370,774</u></b>		<b><u>31,357,015</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		115,136,840		58,928,175
Commissions	(175,052)		(131,490)	
Taxes	<u>(104,296)</u>		<u>(57,178)</u>	
Total sales costs		(279,348)		(188,668)
<b>Total sales net of transaction costs</b>		<b><u>114,857,492</u></b>		<b><u>58,739,507</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON REAL RETURN FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£9,524.85m
Performance Reference:	(1 month GBP LIBOR) + 4%
Sector:	The Investment Association Targeted Absolute Return
Yield as at 31 December 2014:	
Sterling Income Shares	2.67%
Sterling Income A Shares	2.73%
Exempt Shares 2 (Net Accumulation)	2.63%
X Shares (Net Accumulation)	2.57%
Institutional Shares (Accumulation)	2.65%
X Shares (Net Income)	2.65%
Exempt Shares 2 (Net Income)	2.71%
Exempt Shares 1 (Net Accumulation)	2.62%
Institutional Shares W (Net Income)	2.72%
Institutional Shares W (Net Accumulation)	2.64%
Retail Advised Shares B (Net Income)	2.69%
Retail Advised Shares B (Net Accumulation)	2.63%
P Shares (Net Accumulation)	2.65%
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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	3.08%	5.30%	3.40%	-0.35%	9.73%
Sterling Income A Shares	2.67%	4.88%	2.98%	-0.75%	9.29%
Exempt Shares 2 (Net Accumulation)	3.34%	5.57%	3.68%	-0.09%	10.00%
X Shares (Net Accumulation)	3.97%	6.22%	4.29%	0.52%	10.67%
Institutional Shares (Accumulation)	3.13%	5.37%	3.47%	-0.29%	9.76%
X Shares (Net Income)	3.97%	6.21%	4.28%	0.51%	10.68%
Exempt Shares 2 (Net Income)	3.35%	5.57%	3.66%	-0.10%	9.99%
Exempt Shares 1 (Net Accumulation)*	3.43%	5.66%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	3.35%	5.56%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	3.35%	5.56%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	3.08%	5.30%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	3.07%	5.30%	n/a	n/a	n/a
P Shares (Net Accumulation)*	3.13%	5.42%	n/a	n/a	n/a
LIBOR GBP 1 Month +4%	4.50%	4.49%	4.63%	4.65%	4.56%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income A Share Class of the Fund returned +0.44% against a return of +2.21% from LIBOR GBP 1 Month +2%.

During the first three months, the Fund's equity exposure contributed meaningfully, led by technology and healthcare holdings Microsoft, Sanofi and Novartis. Other notable positive contributors included Citigroup, Accenture and Sysco. Telecommunications holdings were the largest negative contributors, with Sprint, TDC and Millicom proving particularly challenged and outweighing gains made in Spark New Zealand and Vodafone Group. In the latter half, Accenture continued its run of strong returns and was joined by professional publisher Wolters Kluwer, the Fund's top returning stock.

The main detractor from the Fund's return was from exposure to gold and oil. Exposure to gold affected the Fund's performance as the price of physical gold fell in US dollar terms, which negatively affected gold-mining equities. The decision to switch some of the Fund's gold-mining equities into physical gold early in October moderated the overall impact. Similarly, a large fall in the oil price later in the period affected oil & gas holdings, Suncor, Total and Royal Dutch Shell.

Positions in government bond – debt issued by governments – proved highly beneficial over the review period as developed market government bond yields reached new historic lows in many jurisdictions. Strong positive contributions were made from the Fund's holdings in Norway, Australia, New Zealand and US government bonds. The Fund benefited from maintaining exposure to the US dollar over the period as the US dollar appreciated significantly against sterling.

The Fund established new equity positions including German software firm SAP, French media group Vivendi, Canadian integrated-energy company Suncor, Irish building-materials business CRH and technology stocks Computer Associates and Rocket Internet. Notable sales included Orkla where the shares had reached the price target, and BB Biotech and Biotech Growth Trust, which had generated significant returns, making their valuations look stretched. Elsewhere, the Fund tactically added to its sterling exposure prior to the Scottish referendum in September when, amid the uncertainty surrounding the result, sterling depreciated significantly against the US dollar. 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 amended to allow more upside participation.

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

#### Purchases

Treasury 2.75% Stock 22/1/2015  
 US Treasury 2.375% Notes 15/8/2024  
 US Treasury 1.5% Notes 31/8/2018  
 Vivendi  
 US Treasury 2% Notes 30/9/2020  
 Australia (Commonwealth) 3.75% Bonds 21/4/2037  
 CRH  
 ETFS Physical Gold  
 CA  
 Australia (Commonwealth) 4.5% Bonds 21/4/2033

#### Sales

Treasury 5% Stock 7/9/2014  
 Treasury 2.75% Stock 22/1/2015  
 Norway 4.5% Bonds 22/5/2019  
 GlaxoSmithKline  
 Norway 3.75% Bonds 25/5/2021  
 Citigroup  
 Treasury Bill 0% 17/11/2014  
 Paychex  
 Severn Trent  
 Orkla

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share *
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	291.07	262.21	9.7938
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	7.3315
<b>Sterling Income A Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	120.63	108.88	4.1778
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	3.0000
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	197.68	173.86	6.5421
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	5.7475
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	157.09	137.41	4.9675
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	126.06	111.09	4.2354
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	3.6490
<b>X Shares (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	124.37	111.26	3.9960
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
<b>Exempt Shares 2 (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	191.24	172.06	6.4042
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	4.9832
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 29 February)	103.83	96.22	2.6852
2013	109.41	101.58	3.1142
2014	111.99	106.60	2.8592

\*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*
<b>P Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.

<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	101.52	98.05	1.2850
2013	105.56	98.03	3.0126
2014	103.14	98.61	2.6611

<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	101.52	98.05	1.2861
2013	106.95	99.33	3.0681
2014	109.33	104.15	2.7958

<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 8 October)	100.00	96.56	1.2540
2013	103.84	96.53	2.8986
2014	101.24	96.74	2.5549

<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 8 October)	100.00	96.56	1.2518
2013	105.19	97.78	2.9962
2014	107.10	102.25	2.6893

<b>P Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 October)	100.00	96.56	0.5416
2013	105.22	97.78	2.2658
2014	107.28	102.37	2.7402

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	494,025,823	275.62	179,241,665
30/06/2013	406,324,379	280.78	144,713,681
30/06/2014	252,885,892	285.99	88,424,267
31/12/2014	222,556,033	285.55	77,939,603
<b>Sterling Income A Shares</b>		<b>Pence</b>	
30/06/2012	1,023,764,220	113.31	903,535,303
30/06/2013	1,171,159,525	114.87	1,019,539,619
30/06/2014	774,761,686	116.54	664,807,702
31/12/2014	646,605,474	116.11	556,909,736
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	2,258,275,849	199.71	1,130,778,143
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
31/12/2014	4,169,091,243	222.73	1,871,774,599

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	1,449,918,829	160.14	905,415,010
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
31/12/2014	2,194,620,023	181.31	1,210,435,054
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	175,710,256	126.98	138,381,087
30/06/2013	249,864,787	133.49	187,173,090
30/06/2014	321,453,659	139.85	229,861,806
31/12/2014	246,773,807	140.91	175,129,263
<b>X Shares (Net Income)</b>		<b>Pence</b>	
30/06/2012	182,058,566	119.65	152,155,015
30/06/2013	187,101,194	123.05	152,047,515
30/06/2014	262,990,265	126.32	208,192,243
31/12/2014	229,367,220	126.65	181,096,743
<b>Exempt Shares 2 (Net Income)</b>		<b>Pence</b>	
30/06/2012	330,901,396	181.77	182,044,936
30/06/2013	505,205,491	185.61	272,193,557
30/06/2014	474,947,336	189.39	250,778,853
31/12/2014	370,659,901	189.32	195,789,888
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	28,429,343	99.00	28,715,528
30/06/2013	108,495,563	104.37	103,952,685
30/06/2014	241,625,105	109.64	220,375,750
31/12/2014	487,568,602	110.64	440,699,731
<b>P Shares (Net Income)***</b>		<b>Pence</b>	
30/06/2012	15,075	100.50	15,000
30/06/2013	2,425,317	102.38	2,369,033
***P Shares (Net Income) share class closed 23 September 2013.			
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	102,837,270	98.83	104,057,514
30/06/2014	515,532,235	100.81	511,402,086
31/12/2014	539,370,264	100.76	535,276,203
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	66,011,857	102.02	64,707,131
30/06/2014	272,201,812	107.08	254,194,455
31/12/2014	410,455,465	108.00	380,034,999
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	2,468,593	97.21	2,539,532
30/06/2014	3,073,358	98.99	3,104,832
31/12/2014	3,219,776	98.84	3,257,692
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	1,313,961	100.31	1,309,943
30/06/2014	4,142,960	105.02	3,944,926
31/12/2014	4,537,538	105.78	4,289,480
<b>P Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	2,363,676	100.34	2,355,630
30/06/2014	25,937	105.17	24,662
31/12/2014	26,133	105.96	24,662

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.09	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

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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>UK Government Bonds 1.89% (9.44%)</b>			
Treasury 2.75% Stock 22/1/2015	£180,217,555	180,339,202	1.89
<b>Overseas Government Bonds 19.50% (11.71%)</b>			
Australia (Commonwealth) 3.75% Bonds 21/4/2037	AUD333,210,000	185,798,428	1.95
Australia (Commonwealth) 4.5% Bonds 21/4/2033	AUD352,997,000	218,469,692	2.29
Australia (Commonwealth) 4.75% Bonds 21/4/2027	AUD161,784,000	100,810,482	1.06
New South Wales Treasury 2.75% Index Linked Bonds 20/11/2025	AUD94,072,000	71,815,780	0.75
New Zealand (Government) 2% Notes 20/9/2025	NZD80,477,000	41,425,838	0.44
New Zealand (Government) 6% Notes 15/5/2021	NZD130,237,000	74,130,911	0.78
Queensland Treasury 5.75% Guaranteed Senior Bonds 22/7/2024	AUD64,329,000	41,057,163	0.43
Treasury of Victoria 5.5% Guaranteed Senior Notes 17/11/2026	AUD111,398,000	71,446,521	0.75
US Treasury 1.5% Notes 31/8/2018	USD893,422,600	575,712,889	6.05
US Treasury 2% Notes 30/9/2020	USD288,400,300	186,752,720	1.96
US Treasury 2.375% Notes 15/8/2024	USD443,435,400	289,500,324	3.04
<b>Sterling Denominated Corporate Bonds 1.37% (1.32%)</b>			
Anglian Water 4.125% Guaranteed Notes 28/7/2020	£4,786,000	8,951,543	0.09
Anglian Water Services Financing 3.666% Index Linked Bonds 30/7/2024	£1,895,000	3,607,568	0.04
British Telecommunications 3.5% Index Linked Notes 25/4/2025	£8,235,000	15,988,041	0.17
Dwr Cymru Financing 1.859% European Medium Term Notes 31/3/2048	£17,950,000	28,914,486	0.30
National Grid 2.983% Senior Index Linked Bonds 8/7/2018	£11,395,000	18,358,143	0.19
National Grid Gas 4.1875% Bonds 14/12/2022	£7,373,000	14,869,498	0.16
Network Rail Infrastructure Finance 1.75% European Medium Term Notes 22/11/2027	£5,800,000	9,497,673	0.10
Scotland Gas Networks 2.127% European Medium Term Notes 21/10/2022	£6,500,000	9,792,023	0.10
Tesco 4% European Medium Term Bonds 8/9/2016	£12,915,000	20,734,645	0.22
<b>Non-Sterling Denominated Corporate Bonds 1.20% (1.36%)</b>			
Drill Rigs 6.5% Bonds 1/10/2017	USD30,092,000	15,921,693	0.17
Sprint 7.125% Bonds 15/6/2024	USD28,611,000	17,064,762	0.18
Sprint 7.875% Senior Notes 15/9/2023	USD64,784,000	41,016,364	0.43
Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	USD64,372,000	39,942,222	0.42
<b>United Kingdom 10.70% (13.22%)</b>			
BAE Systems	21,341,944	100,627,266	1.05
Balfour Beatty	17,873,882	37,785,387	0.40
British American Tobacco	3,317,871	116,125,485	1.22
Centrica	73,691,980	205,526,932	2.16
GlaxoSmithKline	9,767,707	134,403,648	1.41
Royal Dutch Shell class 'B' shares	8,128,872	181,477,067	1.90
United Utilities	11,011,656	100,866,769	1.06
Vodafone	64,009,379	142,516,882	1.50
<b>Investment Trusts 3.89% (3.57%)</b>			
Aviva Investors Global Convertibles Fund	912,754	104,700,075	1.10
Bilfinger Berger Global	21,119,609	26,346,712	0.28
Bluefield Solar Income Fund	23,451,810	24,155,364	0.25
Foresight Solar Fund	11,205,998	11,682,253	0.12
HICL Infrastructure	32,075,890	48,915,732	0.51
International Public Partnership	23,408,629	31,648,466	0.33
John Laing Infrastructure	38,777,506	47,618,777	0.50
NB Global Floating Rate Income Fund	76,422,226	75,887,270	0.80
<b>Collective Investment Schemes 1.14% (1.18%)</b>			
RWC Global Convertibles Fund	146,196	108,213,479	1.14
<b>Commodities 4.43% (2.84%)</b>			
ETFS Physical Gold	3,348,974	249,640,050	2.62
iShares Physical Gold ETC	18,822	286,147	0.01
Physical Gold Source P-ETC	2,271,450	171,708,072	1.80

**Portfolio Statement (continued)**

Investments	Holding	Market Value (£)	Total Net Assets (%)
<b>Canada 1.48% (3.01%)</b>			
Eldorado Gold	10,950,448	42,807,399	0.45
Silver Wheaton	5,269,286	68,856,672	0.72
Yamana Gold	11,200,949	28,901,674	0.31
<b>United States of America 15.75% (13.97%)</b>			
Abbott Laboratories	4,528,300	130,744,952	1.37
Accenture	4,101,146	234,903,543	2.47
Barrick Gold	8,168,500	56,316,418	0.59
CA	5,289,218	103,291,126	1.08
Dun & Bradstreet	757,471	58,761,387	0.62
Merck & Co	3,694,574	134,561,396	1.41
Microsoft	6,949,234	207,017,425	2.17
Northeast Utilities	1,539,389	52,818,542	0.55
PDL Bio-Pharma	5,912,474	29,235,321	0.31
Reynolds American	3,311,098	136,436,137	1.43
Sprint	24,411,539	64,972,190	0.68
Sysco	6,380,467	162,370,967	1.71
Trimble Navigation	1,824,168	31,049,170	0.33
Willis	3,398,891	97,677,926	1.03
<b>Australia 1.68% (2.10%)</b>			
Dexus Property (Stapled)	25,175,005	92,093,203	0.97
Newcrest Mining	11,951,376	67,806,112	0.71
<b>New Zealand 1.03% (0.95%)</b>			
Telecom	63,016,245	98,238,313	1.03
<b>Japan 2.87% (3.15%)</b>			
Japan Tobacco	9,458,800	168,106,410	1.77
Softbank	2,728,500	105,216,106	1.10
<b>South Africa 0.49% (0.92%)</b>			
Naspers class 'N' shares	559,386	46,984,759	0.49
<b>Denmark 1.10% (1.26%)</b>			
TDC	21,200,208	104,352,239	1.10
<b>Finland 0.52% (0.46%)</b>			
Nokia	9,724,797	49,508,881	0.52
<b>France 5.72% (4.44%)</b>			
Sanofi	3,397,882	199,092,073	2.09
Total	4,243,120	139,999,415	1.47
Vivendi	12,837,239	206,075,270	2.16
<b>Germany 4.41% (3.47%)</b>			
Bayer	2,819,332	248,227,244	2.61
Brenntag	2,995,065	108,617,739	1.14
Rocket Internet	438,104	17,632,279	0.19
SAP	998,664	45,191,958	0.47
<b>Ireland 1.13% (0.00%)</b>			
CRH	6,975,657	107,702,996	1.13
<b>Israel 0.29% (0.17%)</b>			
Bank Hapoalim	9,276,861	28,070,235	0.29

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Netherlands 3.83% (2.91%)</b>			
Reed Elsevier	9,370,046	144,162,944	1.52
Wolters Kluwer	11,194,356	220,229,657	2.31
<b>Norway 0.00% (0.57%)</b>			
<b>Sweden 2.85% (2.98%)</b>			
Millicom International Cellular	2,513,255	119,937,166	1.26
TeliaSonera	36,711,925	151,585,964	1.59
<b>Switzerland 5.16% (4.79%)</b>			
Novartis	4,300,831	256,214,994	2.69
Roche	1,348,537	234,830,918	2.47
<b>Derivatives -0.27% (0.39%)</b>			
<b>Futures -0.34% (0.00%)</b>			
Euro Stoxx 50 Future Expires March 2015	EUR10	(573,366)	(0.01)
FTSE 100 Index Future Expires March 2015	£10	(10,313,424)	(0.11)
S&P 500 Future Expires March 2015	USD250	(21,341,504)	(0.22)
<b>Options 0.03% (-0.20%)</b>			
Japanese Yen February 2015 (Call Option)	USD6,766	8,136	0.00
S&P 500 Index January 2015 2000 (Put Option)	USD3,881	2,986,821	0.03
<b>AUD Forward Foreign Currency Contracts 0.18% (-0.01%)</b>			
Forward Foreign Currency Contracts 13/02/15	AUD(1,604,873,172)	(840,166,291)	(8.82)
Forward Foreign Currency Contracts 13/02/15	£857,701,261	857,701,261	9.00
<b>CAD Forward Foreign Currency Contracts -0.02% (-0.03%)</b>			
Forward Foreign Currency Contracts 13/02/15	CAD202,710,156	112,181,742	1.18
Forward Foreign Currency Contracts 13/02/15	£(111,939,274)	(111,939,274)	(1.18)
Forward Foreign Currency Contracts 13/02/15	CAD(452,118,739)	(250,206,839)	(2.63)
Forward Foreign Currency Contracts 13/02/15	£248,270,424	248,270,424	2.61
<b>CHF Forward Foreign Currency Contracts 0.02% (0.00%)</b>			
Forward Foreign Currency Contracts 12/03/15	CHF(241,125,452)	157,980,930	1.66
Forward Foreign Currency Contracts 12/03/15	£157,980,930	(155,900,672)	(1.64)
<b>DKK Forward Foreign Currency Contracts 0.02% (0.04%)</b>			
Forward Foreign Currency Contracts 15/01/15	DKK(1,047,881,523)	(109,228,783)	(1.15)
Forward Foreign Currency Contracts 15/01/15	£110,983,550	110,983,550	1.17
<b>EUR Forward Foreign Currency Contracts 0.27% (0.46%)</b>			
Forward Foreign Currency Contracts 15/01/15	EUR141,740,405	110,019,856	1.16
Forward Foreign Currency Contracts 15/01/15	£(112,235,538)	(112,235,538)	(1.18)
Forward Foreign Currency Contracts 15/01/15	EUR(2,219,948,912)	(1,723,139,283)	(18.09)
Forward Foreign Currency Contracts 15/01/15	£1,750,857,631	1,750,857,631	18.38
<b>ILS Forward Foreign Currency Contracts 0.00% (0.00%)</b>			
Forward Foreign Currency Contracts 13/02/15	ILS(180,542,746)	(29,765,688)	(0.31)
Forward Foreign Currency Contracts 13/02/15	£29,967,839	29,967,839	0.31
<b>JPY Forward Foreign Currency Contracts -0.10% (0.01%)</b>			
Forward Foreign Currency Contracts 12/03/15	JPY56,288,583,096	301,425,700	3.16
Forward Foreign Currency Contracts 12/03/15	£(308,011,477)	(308,011,477)	(3.23)
Forward Foreign Currency Contracts 12/03/15	JPY(56,288,583,096)	(301,425,700)	(3.16)
Forward Foreign Currency Contracts 12/03/15	£298,375,739	298,375,739	3.13

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Derivatives (continued)</b>			
<b>SEK Forward Foreign Currency Contracts 0.10% (0.10%)</b>			
Forward Foreign Currency Contracts 13/02/15	SEK162,111,592	13,287,019	0.14
Forward Foreign Currency Contracts 13/02/15	£(13,976,732)	(13,976,732)	(0.15)
Forward Foreign Currency Contracts 13/02/15	SEK(3,008,570,180)	(246,588,959)	(2.59)
Forward Foreign Currency Contracts 13/02/15	£256,921,833	256,921,833	2.70
<b>SGD Forward Foreign Currency Contracts 0.00% (-0.02%)</b>			
<b>USD Forward Foreign Currency Contracts -0.43% (0.04%)</b>			
Forward Foreign Currency Contracts 13/02/15	USD501,685,267	321,847,196	3.38
Forward Foreign Currency Contracts 13/02/15	£(319,743,823)	(319,743,823)	(3.36)
Forward Foreign Currency Contracts 13/02/15	USD(4,711,451,028)	(3,022,547,015)	(31.73)
Forward Foreign Currency Contracts 13/02/15	£2,979,821,888	2,979,821,888	31.28
<b>Portfolio of investments*</b>		<b>8,778,182,761</b>	<b>92.16</b>
<b>Net current assets</b>		<b>746,668,718</b>	<b>7.84</b>
<b>Total Net Assets</b>		<b>9,524,851,479</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Norway portfolio category, which, at 30 June 2014, represented 0.57%, 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.

## Financial Statements

### Statement of Total Return

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		25,363,219		127,516,759
Revenue	95,708,317		109,912,577	
Expenses	<u>(31,388,617)</u>		<u>(29,524,747)</u>	
Net revenue before taxation	64,319,700		80,387,830	
Taxation	<u>(4,495,223)</u>		<u>(8,834,223)</u>	
Net revenue after taxation		<u>59,824,477</u>		<u>71,553,607</u>
<b>Total return before distributions</b>		<b>85,187,696</b>		<b>199,070,366</b>
Finance costs: Distributions		(84,268,107)		(93,402,623)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>919,589</u></b>		<b><u>105,667,743</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		9,071,917,973		7,851,135,535
Amounts receivable on issue of shares	862,212,222		1,039,944,627	
Amounts payable on cancellation of shares	<u>(477,686,381)</u>		<u>(468,567,858)</u>	
		384,525,841		571,376,769
Stamp Duty Reserve Tax		-		(601,402)
Change in net assets attributable to Shareholders from investment activities (see above)		919,589		105,667,743
Retained distributions on accumulation shares		67,487,201		69,739,506
Unclaimed distributions		875		585
<b>Closing net assets attributable to Shareholders</b>		<b><u>9,524,851,479</u></b>		<b><u>8,597,318,736</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets*		8,867,613,730		8,261,286,410
Debtors	105,590,949		232,733,742	
Cash and bank balances	<u>730,386,985</u>		<u>756,694,079</u>	
Total other assets		<u>835,977,934</u>		<u>989,427,821</u>
Total assets		9,703,591,664		9,250,714,231
<b>LIABILITIES</b>				
Investment liabilities		(89,430,969)		(80,058,902)
Bank overdraft	(475)		-	
Creditors	(71,180,706)		(59,774,248)	
Distribution payable on income shares	<u>(18,128,035)</u>		<u>(38,963,108)</u>	
Total other liabilities		<u>(89,309,216)</u>		<u>(98,737,356)</u>
Total liabilities		(178,740,185)		(178,796,258)
<b>Net assets attributable to Shareholders</b>		<u><b>9,524,851,479</b></u>		<u><b>9,071,917,973</b></u>

\*Gross of investment liabilities.

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
Group 1	2.8089	0.2809	2.5280	0.0000	2.5280	3.1187
Group 2	1.6169	0.1617	1.4552	1.0728	2.5280	3.1187
<b>Sterling Income A Shares</b>						
Group 1	1.1597	0.1160	1.0437	0.0000	1.0437	1.2714
Group 2	0.6438	0.0644	0.5794	0.4643	1.0437	1.2714
<b>Exempt Shares 2 (Net Accumulation)</b>						
Group 1	2.2241	0.2224	2.0017	0.0000	2.0017	2.4183
Group 2	1.2688	0.1269	1.1419	0.8598	2.0017	2.4183
<b>X Shares (Net Accumulation)</b>						
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
<b>Institutional Shares (Accumulation)</b>						
Group 1	1.4156	0.1416	1.2740	0.0000	1.2740	1.5317
Group 2	0.8817	0.0882	0.7935	0.4805	1.2740	1.5317
<b>X Shares (Net Income)</b>						
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
<b>Exempt Shares 2 (Net Income)</b>						
Group 1	1.9050	0.1905	1.7145	0.0000	1.7145	2.1226
Group 2	1.1170	0.1117	1.0053	0.7092	1.7145	2.1226
<b>Exempt Shares 1 (Net Accumulation)</b>						
Group 1	1.1041	0.1104	0.9937	0.0000	0.9937	1.2031
Group 2	0.3173	0.0317	0.2856	0.7081	0.9937	1.2031
<b>Institutional Shares W (Net Income)</b>						
Group 1	1.0152	0.1015	0.9137	0.0000	0.9137	1.1547
Group 2	0.5781	0.0578	0.5203	0.3934	0.9137	1.1547
<b>Institutional Shares W (Net Accumulation)</b>						
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
<b>Retail Advised Shares B (Net Income)</b>						
Group 1	0.9731	0.0973	0.8758	0.0000	0.8758	1.0871
Group 2	0.6590	0.0659	0.5931	0.2827	0.8758	1.0871
<b>Retail Advised Shares B (Net Accumulation)</b>						
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
<b>P Shares (Net Accumulation)</b>						
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

**Distribution Statement (continued)**

				<b>Utilised foreign tax (pence per share)</b>
<b>Interim distributions for 31 December 2014</b>	<b>Franked (%)</b>	<b>Unfranked (%)</b>	<b>Utilised foreign tax (£)</b>	
Sterling Income Shares	100.00	0.00	n/a	n/a
Sterling Income A Shares	100.00	0.00	n/a	n/a
Exempt Shares 2 (Net Accumulation)	100.00	0.00	n/a	n/a
X Shares (Net Accumulation)	100.00	0.00	n/a	n/a
Institutional Shares (Accumulation)	100.00	0.00	n/a	n/a
X Shares (Net Income)	100.00	0.00	n/a	n/a
Exempt Shares 2 (Net Income)	100.00	0.00	n/a	n/a
Exempt Shares 1 (Net Accumulation)	100.00	0.00	n/a	n/a
Institutional Shares W (Net Income)	100.00	0.00	n/a	n/a
Institutional Shares W (Net Accumulation)	100.00	0.00	n/a	n/a
Retail Advised Shares B (Net Income)	100.00	0.00	n/a	n/a
Retail Advised Shares B (Net Accumulation)	100.00	0.00	n/a	n/a
P Shares (Net Accumulation)	100.00	0.00	n/a	n/a

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		2,943,436,344		2,725,540,870
Commissions	894,073		1,073,529	
Taxes	<u>2,193,137</u>		<u>1,511,573</u>	
Total purchase costs		3,087,210		2,585,102
<b>Gross purchases total</b>		<b><u>2,946,523,554</u></b>		<b><u>2,728,125,972</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		2,397,924,454		1,717,393,655
Commissions	(646,004)		(809,035)	
Taxes	<u>(6,432)</u>		<u>(79,216)</u>	
Total sales costs		(652,436)		(888,251)
<b>Total sales net of transaction costs</b>		<b><u>2,397,272,018</u></b>		<b><u>1,716,505,404</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON UK EQUITY FUND**

**Interim Report  
for the six months ended  
31 December 2014**

**Fund Report**

for the six months ended 31 December 2014

**General Information**

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£1,046.3m
Comparative Index:	FTSE All Share
Sector:	The Investment Association UK All Companies

Yield as at 31 December 2014:

Sterling Income Shares	2.02%
Institutional Shares (Accumulation)	2.04%
Institutional Shares (Income)	2.08%
X Shares (Net Accumulation)	2.02%
Exempt Shares 1 (Net Accumulation)	2.03%
Exempt Shares 3 (Net Accumulation)	2.03%
Institutional W (Net Income)	2.07%
Institutional W (Net Accumulation)	2.03%
Retail Advised B (Net Income)	2.01%
Retail Advised B (Net Accumulation)	1.98%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	6.49%	17.48%	17.86%	-12.05%	14.66%
Institutional Shares (Accumulation)	7.10%	18.17%	18.56%	-11.54%	15.32%
Institutional Shares (Income)	7.10%	18.15%	18.54%	-11.55%	15.31%
X Shares (Net Accumulation)	8.17%	19.36%	19.75%	-10.66%	16.47%
Exempt Shares 1 (Net Accumulation)*	7.64%	18.76%	n/a	n/a	n/a
Exempt Shares 3 (Net Accumulation)*	7.53%	18.64%	n/a	n/a	n/a
Institutional W (Net Income)*	7.37%	18.44%	n/a	n/a	n/a
Institutional W (Net Accumulation)*	7.37%	18.46%	n/a	n/a	n/a
Retail Advised B (Net Income)*	7.03%	18.06%	n/a	n/a	n/a
Retail Advised B (Net Accumulation)*	7.02%	18.09%	n/a	n/a	n/a
FTSE All Share	1.18%	20.81%	12.30%	-3.46%	14.51%

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Exempt 1 Net Sterling Acc Share Class of the Sub-Fund returned 8.77% against -0.40% for the FTSE All-Share Index.

The second half of 2014, during which the Fund produced a good positive return, significantly ahead of its comparative index, was a period dominated by falling commodity prices and diminishing growth prospects. The Fund's significant underweight position in commodities was particularly beneficial as Newton's cautious view of the world played out – that a critical commodity like oil can halve in price in six months is a symptom of the fragile and increasingly volatile environment faced by investors. There were parts of the Fund however, particularly in consumer facing areas, where it was possible to achieve excellent returns from companies such as Dixons Carphone, a beneficiary of the collapse of Phones 4u and synergies from its merger, and Domino's Pizza, whose UK stores continue to grow sales impressively. The bid at a 30% premium for the Fund's long-held Synergy Health position was also notable. The largest detractor was Wood Group, the oil services company, which is likely to see lower activity levels given the material oil price falls seen.

In the period, the Fund took the opportunity to reduce some of its mid-cap exposure following good performance. Reductions were made in Dixons Carphone, Synergy Health and Rightmove, while Ashtead and Berkeley Group were sold entirely. US exposure was reduced as valuations continued to creep higher – disposals were made of Dollar General, Apple, eBay and Walt Disney. In their place, positions were initiated in a number of large-cap, resilient global companies. These included Diageo, the spirits and beer group, British American Tobacco, AstraZeneca and Imperial Tobacco.

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

#### Purchases

Diageo  
British American Tobacco  
AstraZeneca  
Reckitt Benckiser  
Imperial Tobacco  
BAE Systems  
SSE  
Centrica  
Standard Chartered  
CRH

#### Sales

Dixons Carphone  
Ashtead  
Dollar General  
Berkeley  
Synergy Health  
Prudential  
Vodafone  
ARM  
Apple  
eBay

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	654.88	543.76	19.7240
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	16.8432
<b>Exempt Shares 2 (Net Accumulation)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	182.94	150.06	5.5126
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.			
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	160.85	132.23	4.8539
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
<b>Institutional Shares (Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	662.73	548.83	20.3251
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	17.8351
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	186.61	152.03	5.5987
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	5.7065
<b>X Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2011 (from 25 May to 26 September)	190.91	151.23	0.3062
***X Shares (Net Income) class closed on 26 September 2011.			
<b>Exempt Shares 1 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 April)	315.26	271.86	5.5535
2013	372.24	319.79	10.0431
2014	401.96	355.61	8.9780
<b>Exempt Shares 3 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 2 April)	136.72	117.97	2.4093
2013	161.27	138.68	4.3532
2014	173.98	153.94	3.8878
<b>Institutional W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	105.31	100.48	0.5162
2013	121.02	106.42	3.3047
2014	126.72	112.16	2.8680

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

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

Calendar Year

	Highest Price (p)	Lowest Price (p)	Net Revenue per share (p)*
<b>Institutional W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	105.44	100.60	0.5167
2013	124.18	109.95	3.3556
2014	133.76	118.39	2.9916

**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 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	2.6978

**Retail Advised 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	2.8142

\*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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	998,702,808	590.59	169,102,078
30/06/2013	1,021,808,883	676.94	150,945,329
30/06/2014	909,339,444	703.33	129,291,495
31/12/2014	909,296,893	756.90	120,133,641
<b>Exempt Shares 2 (Net Accumulation)**</b>		<b>Pence</b>	
30/06/2012	437,340	174.94	250,000

\*\*Exempt Shares 2 (Net Accumulation) class closed on 4 September 2012.

**Institutional Shares (Accumulation)**

		Pence	
30/06/2012	12,870,078	153.23	8,399,092
30/06/2013	10,044,744	181.42	5,536,793
30/06/2014	4,000,027	194.92	2,052,159
31/12/2014	4,183,586	212.19	1,971,615

**Institutional Shares (Income)**

		Pence	
30/06/2012	1,646,657	602.09	273,490
30/06/2013	4,204,609	693.59	606,212
30/06/2014	3,875,114	724.25	535,055
31/12/2014	4,016,749	781.43	514,024

**X Shares (Net Accumulation)**

		Pence	
30/06/2012	180,474,078	180.46	100,008,404
30/06/2013	28,727,094	215.80	13,312,159
30/06/2014	15,353,589	234.17	6,556,673
31/12/2014	17,642,634	256.18	6,886,829

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

<b>Share class as at</b>	<b>Net Asset Value (£)</b>	<b>Per share</b>	<b>Shares in issue</b>
<b>Exempt Shares 1 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	49,122,140	285.65	17,196,767
30/06/2013	44,032,136	339.88	12,955,178
30/06/2014	43,930,138	367.00	11,969,904
31/12/2014	32,803,069	400.52	8,190,175
<b>Exempt Shares 3 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	5,888,687	123.94	4,751,251
30/06/2013	6,519,710	147.32	4,425,447
30/06/2014	6,328,120	158.92	3,981,942
31/12/2014	6,902,667	173.35	3,981,942
<b>Institutional W (Net Income)</b>		<b>Pence</b>	
30/06/2013	5,875,134	111.27	5,279,958
30/06/2014	41,861,960	116.48	35,938,962
31/12/2014	60,427,017	125.84	48,019,730
<b>Institutional W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	758,344	113.53	667,973
30/06/2014	6,594,856	122.28	5,393,242
31/12/2014	10,656,279	133.28	7,995,553
<b>P Shares (Net Income)****</b>		<b>Pence</b>	
30/06/2013	21,327	108.09	19,730
****P Shares (Net Income) share class closed 23 September 2013.			
<b>Retail Advised B (Net Income)</b>		<b>Pence</b>	
30/06/2013	35,769	107.92	33,145
30/06/2014	333,429	112.69	295,888
31/12/2014	353,721	121.58	290,936
<b>Retail Advised B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	42,742	109.91	38,889
30/06/2014	51,605	118.00	43,732
31/12/2014	15,119	128.41	11,774

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.61	1.61
Institutional Shares (Accumulation)	1.04	1.04
Institutional Shares (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 W (Net Income)	0.79	0.79
Institutional W (Net Accumulation)	0.79	0.79
Retail Advised B (Net Income)	1.11	1.11
Retail Advised 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 86.62% (82.64%)</b>			
<b>Oil &amp; Gas Equipment, Services &amp; Distribution 2.43% (3.61%)</b>			
John Wood	4,266,895	25,452,029	2.43
<b>Chemicals 1.49% (2.81%)</b>			
Johnson Matthey	169,293	5,750,883	0.55
Victrex	474,183	9,863,006	0.94
<b>Aerospace &amp; Defence 4.26% (3.46%)</b>			
BAE Systems	2,173,244	10,246,846	0.98
Meggitt	2,736,963	14,191,153	1.36
Rolls Royce	2,307,639	20,041,845	1.92
<b>Support Services 7.87% (10.25%)</b>			
Bunzl	967,607	17,068,588	1.63
Capita	2,934,682	31,723,912	3.03
Digital Barriers	10,034,177	5,518,797	0.53
Intertek	198,279	4,627,832	0.44
Rolls-Royce class 'C' preference shares	296,622,090	296,622	0.03
Wolseley	305,152	11,247,903	1.07
WS Atkins	874,260	11,924,906	1.14
<b>Beverages - 4.36% (0.00%)</b>			
Diageo	2,467,675	45,614,972	4.36
<b>Food Producers 0.76% (1.04%)</b>			
Associated British Foods	252,661	7,966,401	0.76
<b>Household Goods &amp; Home Construction 2.58% (1.96%)</b>			
Reckitt Benckiser	519,184	27,049,486	2.58
<b>Tobacco - 6.53% (0.00%)</b>			
British American Tobacco	1,135,037	39,726,295	3.80
Imperial Tobacco	1,005,862	28,526,246	2.73
<b>Healthcare Equipment &amp; Services 0.54% (1.92%)</b>			
Synergy Healthcare	271,086	5,616,902	0.54
<b>Pharmaceuticals &amp; Biotechnology 6.19% (4.96%)</b>			
Abcam	3,674,026	17,065,851	1.63
AstraZeneca	780,493	35,555,359	3.40
Indivior	519,184	772,027	0.07
Dechra Pharmaceuticals	1,360,013	11,369,709	1.09
<b>Food &amp; Drug Retailers 1.57% (1.74%)</b>			
Booker	10,110,601	16,449,948	1.57
<b>General Retailers 3.34% (6.86%)</b>			
Dixons Carphone	3,743,499	17,279,991	1.65
Next	120,669	8,211,525	0.78
Pets at Home	4,715,373	9,534,484	0.91
<b>Media 6.91% (8.59%)</b>			
ITV	4,998,685	10,757,170	1.03
Moneysupermarket.com	3,240,506	7,537,417	0.72
Reed Elsevier	3,513,304	38,576,078	3.69
Rightmove	683,726	15,363,323	1.47

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom (continued)</b>			
<b>Travel &amp; Leisure 10.18% (8.95%)</b>			
Compass	1,355,904	14,928,503	1.43
Domino's Pizza	2,662,717	18,585,765	1.78
Merlin Entertainments	5,595,801	22,192,947	2.12
Playtech	4,230,250	29,019,515	2.77
Whitbread	456,669	21,783,111	2.08
<b>Fixed Line Telecommunications 1.40% (0.95%)</b>			
Cable & Wireless	29,510,693	14,646,157	1.40
<b>Mobile Telecommunications 3.94% (5.75%)</b>			
Vodafone	18,529,006	41,254,832	3.94
<b>Electricity 2.39% (0.00%)</b>			
SSE	1,538,775	24,958,931	2.39
<b>Gas, Water &amp; Multiutilities 1.84% (0.00%)</b>			
Centrica	6,920,097	19,300,151	1.84
<b>Banks 1.31% (0.00%)</b>			
Standard Chartered	1,422,097	13,694,794	1.31
<b>Nonlife Insurance 1.51% (0.00%)</b>			
Admiral	1,198,048	15,838,195	1.51
<b>Life Insurance 6.22% (7.98%)</b>			
Prudential	2,500,286	37,304,267	3.56
Standard Life	6,945,337	27,788,293	2.66
<b>Real Estate Investment &amp; Services 0.53% (0.00%)</b>			
Market Tech	2,448,079	5,581,620	0.53
<b>Real Estate Investment Trusts 3.69% (4.11%)</b>			
Derwent London	691,777	20,877,830	2.00
Great Portland Estates	2,393,326	17,662,746	1.69
<b>Financial Services 2.61% (3.94%)</b>			
Intermediate Capital	5,940,120	27,318,612	2.61
<b>Technology Hardware &amp; Equipment 2.17% (3.76%)</b>			
Imagination Technologies	9,925,265	22,679,231	2.17
<b>Overseas Equities 10.86% (17.32%)</b>			
<b>United States of America 3.01% (11.06%)</b>			
TJX	78,578	3,455,567	0.33
Discovery Communications class 'A' shares	308,493	6,809,895	0.65
Google	28,534	9,632,844	0.92
Microsoft	390,806	11,642,096	1.11
<b>France 1.25% (1.68%)</b>			
Air Liquide	163,600	13,051,942	1.25
<b>Ireland 0.97% (0.00%)</b>			
CRH	658,775	10,171,486	0.97

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Overseas (continued)</b>			
<b>Israel 1.44% (0.00%)</b>			
Plus 500	2,539,333	15,096,335	1.44
<b>Switzerland 4.19% (3.14%)</b>			
Novartis	320,746	19,107,920	1.83
Roche	85,866	14,952,494	1.43
Zurich Financial Services	48,141	9,685,061	0.93
<b>Portfolio of investments</b>		<b>1,019,948,646</b>	<b>97.48</b>
<b>Net current assets</b>		<b>26,349,088</b>	<b>2.52</b>
<b>Total Net Assets</b>		<b>1,046,297,734</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Germany portfolio category, which, at 30 June 2014, represented 1.44% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		83,340,554		90,953,292
Revenue	9,719,841		15,622,442	
Expenses	<u>(7,717,353)</u>		<u>(8,682,607)</u>	
Net revenue before taxation	2,002,488		6,939,835	
Taxation	<u>(139,789)</u>		<u>(21,859)</u>	
Net revenue after taxation		<u>1,862,699</u>		<u>6,917,976</u>
<b>Total return before distributions</b>		<b>85,203,253</b>		<b>97,871,268</b>
Finance costs: Distributions		(9,055,800)		(15,009,862)
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>76,147,453</u></b>		<b><u>82,861,406</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		1,031,668,282		1,122,070,492
Amounts receivable on issue of shares	12,042,920		11,270,498	
Amounts payable on cancellation of shares	<u>(74,177,346)</u>		<u>(85,179,732)</u>	
		(62,134,426)		(73,909,234)
Dilution adjustment		(17,507)		-
Stamp Duty Reserve Tax		-		(330,782)
Change in net assets attributable to Shareholders from investment activities (see above)		76,147,453		82,861,406
Retained distributions on accumulation shares		610,043		1,092,171
Unclaimed distributions		23,889		17,825
<b>Closing net assets attributable to Shareholders</b>		<b><u>1,046,297,734</u></b>		<b><u>1,131,801,878</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		1,019,948,646		1,031,232,820
Debtors	4,141,126		9,902,339	
Cash and bank balances	<u>30,334,993</u>		<u>7,134,277</u>	
Total other assets		<u>34,476,119</u>		<u>17,036,616</u>
Total assets		1,054,424,765		1,048,269,436
<b>LIABILITIES</b>				
Creditors	(4,999,324)		(7,717,289)	
Distribution payable on income shares	<u>(3,127,707)</u>		<u>(8,883,865)</u>	
Total other liabilities		<u>(8,127,031)</u>		<u>(16,601,154)</u>
Total liabilities		(8,127,031)		(16,601,154)
<b>Net assets attributable to Shareholders</b>		<u><b>1,046,297,734</b></u>		<u><b>1,031,668,282</b></u>

**Distribution Statement**

for the six months ended 31 December 2014

**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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 31/12/2013</b>
<b>Sterling Income Shares</b>						
Group 1	2.6910	0.2691	2.4219	0.0000	2.4219	4.4033
Group 2	1.0040	0.1004	0.9036	1.5183	2.4219	4.4033
<b>Institutional Shares (Accumulation)</b>						
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
<b>Institutional Shares (Income)</b>						
Group 1	2.9237	0.2924	2.6313	0.0000	2.6313	4.6498
Group 2	0.2477	0.0248	0.2229	2.4084	2.6313	4.6498
<b>X Shares (Net Accumulation)</b>						
Group 1	0.9539	0.0954	0.8585	0.0000	0.8585	1.4625
Group 2	0.0000	0.0000	0.0000	0.8585	0.8585	1.4625
<b>Exempt Shares 1 (Net Accumulation)</b>						
Group 1	1.4924	0.1492	1.3432	0.0000	1.3432	2.2996
Group 2	0.7418	0.0742	0.6676	0.6756	1.3432	2.2996
<b>Exempt Shares 3 (Net Accumulation)</b>						
Group 1	0.6460	0.0646	0.5814	0.0000	0.5814	0.9964
Group 2	0.6460	0.0646	0.5814	0.0000	0.5814	0.9964
<b>Institutional W (Net Income)</b>						
Group 1	0.4707	0.0471	0.4236	0.0000	0.4236	0.7485
Group 2	0.1830	0.0183	0.1647	0.2589	0.4236	0.7485
<b>Institutional W (Net Accumulation)</b>						
Group 1	0.4968	0.0497	0.4471	0.0000	0.4471	0.7681
Group 2	0.2122	0.0212	0.1910	0.2561	0.4471	0.7681
<b>Retail Advised B (Net Income)</b>						
Group 1	0.4321	0.0432	0.3889	0.0000	0.3889	0.7060
Group 2	0.0191	0.0019	0.0172	0.3717	0.3889	0.7060
<b>Retail Advised B (Net Accumulation)</b>						
Group 1	0.4610	0.0461	0.4149	0.0000	0.4149	0.7214
Group 2	0.4092	0.0409	0.3683	0.0466	0.4149	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
	<b>Gross Revenue</b>	<b>Tax Credit @10%</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Amount Paid</b>	<b>Prior Period 30/09/2013</b>
<b>Sterling Income Shares</b>						
Group 1	4.3380	0.4338	3.9042	0.0000	3.9042	4.9443
Group 2	1.4927	0.1493	1.3434	2.5608	3.9042	4.9443
<b>Institutional Shares (Accumulation)</b>						
Group 1	1.2341	0.1234	1.1107	0.0000	1.1107	1.3594
Group 2	0.1952	0.0195	0.1757	0.9350	1.1107	1.3594
<b>Institutional Shares (Income)</b>						
Group 1	4.5856	0.4586	4.1270	0.0000	4.1270	5.1971
Group 2	3.6184	0.3618	3.2566	0.8704	4.1270	5.1971
<b>X Shares (Net Accumulation)</b>						
Group 1	1.4842	0.1484	1.3358	0.0000	1.3358	1.6200
Group 2	1.4842	0.1484	1.3358	0.0000	1.3358	1.6200
<b>Exempt Shares 1 (Net Accumulation)</b>						
Group 1	2.3248	0.2325	2.0923	0.0000	2.0923	2.5484
Group 2	0.7702	0.0770	0.6932	1.3991	2.0923	2.5484
<b>Exempt Shares 3 (Net Accumulation)</b>						
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
<b>Institutional W (Net Income)</b>						
Group 1	0.7377	0.0738	0.6639	0.0000	0.6639	0.8338
Group 2	0.3492	0.0349	0.3143	0.3496	0.6639	0.8338
<b>Institutional W (Net Accumulation)</b>						
Group 1	0.7742	0.0774	0.6968	0.0000	0.6968	0.8503
Group 2	0.3923	0.0392	0.3531	0.3437	0.6968	0.8503
<b>Retail Advised B (Net Income)</b>						
Group 1	0.6953	0.0695	0.6258	0.0000	0.6258	0.7886
Group 2	0.2223	0.0222	0.2001	0.4257	0.6258	0.7886
<b>Retail Advised B (Net Accumulation)</b>						
Group 1	0.7296	0.0730	0.6566	0.0000	0.6566	0.8027
Group 2	0.7296	0.0730	0.6566	0.0000	0.6566	0.8027

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

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		422,367,466		382,490,963
Commissions	295,637		257,469	
Taxes	<u>1,982,905</u>		<u>1,307,819</u>	
Total purchase costs		2,278,542		1,565,288
<b>Gross purchases total</b>		<b><u>424,646,008</u></b>		<b><u>384,056,251</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		520,533,864		387,736,646
Commissions	(347,142)		(267,970)	
Taxes	<u>(2,705)</u>		<u>(287)</u>	
Total sales costs		(349,847)		(268,257)
<b>Total sales net of transaction costs</b>		<b><u>520,184,017</u></b>		<b><u>387,468,389</u></b>

**BNY MELLON INVESTMENT FUNDS – NEWTON UK OPPORTUNITIES FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	Newton Investment Management Limited
Fund Size:	£366.47m
Comparative Index:	FTSE All Share TR
Sector:	The Investment Association UK All Companies

Yield as at 31 December 2014:

Sterling Income Shares	1.79%
Exempt Shares 2 (Net Accumulation)	2.33%
Institutional Shares (Accumulation)	2.15%
X Shares (Net Accumulation)	2.87%
Institutional Shares W (Net Income)	2.44%
Institutional Shares W (Net Accumulation)	2.30%
Retail Advised Shares B (Net Income)	2.11%
Retail Advised Shares B (Net Accumulation)	2.01%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares	9.61%	21.52%	12.26%	-4.64%	14.75%
Exempt Shares 2 (Net Accumulation)	10.48%	22.54%	13.20%	-3.86%	15.68%
Institutional Shares (Accumulation)	10.20%	22.24%	12.92%	-4.10%	15.39%
X Shares (Net Accumulation)	11.25%	23.46%	14.05%	-3.14%	16.55%
Institutional Shares W (Net Income)*	10.48%	22.53%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	10.48%	22.54%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	10.13%	22.12%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	10.12%	22.14%	n/a	n/a	n/a
FTSE All Share TR	1.18%	20.81%	12.30%	-3.46%	14.51%

Source: Lipper as at 31 December 2014 - Total return including revenue net of UK tax and annual charges, but excluding initial charge. 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.

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**Fund Report (continued)**


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**Portfolio Summary**

Over the six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 4.66% against -0.40% for the FTSE All-Share Index.

In the second half of 2014, the Fund produced a good positive return, significantly ahead of its comparative index. This was a period dominated by falling commodity prices and diminishing growth prospects. The Fund's significant underweight in commodities was particularly beneficial as Newton's cautious view of the world played out. That a critical commodity like oil can halve in price in six months is a symptom of the fragile and increasingly volatile environment faced by investors. There were parts of the Fund, however, particularly in consumer-facing areas, where it was possible to achieve excellent returns from companies, such as Moneysupermarket, which benefited from continued steady growth, and Domino's Pizza, whose UK business is still performing impressively.

Key transactions in the period included the initiation of positions in BAE Systems, the defence contractor, AstraZeneca, the global drugs firm, and Imperial Tobacco, now embarking on a major US growth project via the acquisition of three brands from Lorillard. A position was established in Admiral, the motor insurer, on hopes of a recovery in UK premiums and in acknowledgement of its excellent cash-generative business model. Disposals were made of large positions in GlaxoSmithKline and Sainsbury's. The rationale for selling BHP Billiton in August was the belief that the prevailing share price priced in flawless execution and continuing high commodity prices.

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

**Purchases**

BAE Systems  
AstraZeneca  
Imperial Tobacco  
Reckitt Benckiser  
Standard Chartered  
Discovery Communication  
Admiral  
Total  
Capita  
Express Scripts

**Sales**

GlaxoSmithKline  
Sainsbury (J)  
BHP Billiton  
Meggitt  
BAE Systems  
Wolseley  
Whitbread  
Unilever  
Admiral  
Standard Life

## Statistics

### Price and Revenue Record by Share Class

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	191.31	168.43	3.0925
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
<b>Exempt Shares 2 (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	167.29	147.05	3.9198
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
<b>Institutional Shares (Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	160.24	140.92	3.3986
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
<b>X Shares (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2010	170.38	149.56	5.1202
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
<b>P Shares (Net Income)**</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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.			
<b>Institutional Shares W (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	104.61	99.78	n/a
2013	125.12	105.52	3.2522
2014	134.59	118.54	3.3368
<b>Institutional Shares W (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 5 September)	104.61	99.78	n/a
2013	127.27	105.53	3.2358
2014	140.75	122.58	3.4315
<b>Retail Advised Shares B (Net Income)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	102.71	98.00	n/a
2013	122.68	103.60	2.7529
2014	132.03	116.52	2.8847

\*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*
<b>Retail Advised Shares B (Net Accumulation)</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 27 September)	102.71	98.00	n/a
2013	124.55	103.60	2.7544
2014	137.33	119.92	2.8232
<b>X Shares (Net Income)***</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Sterling Income Shares</b>		<b>Pence</b>	
30/06/2012	243,909,323	189.12	128,968,179
30/06/2013	241,263,469	223.20	108,092,282
30/06/2014	227,077,475	250.93	90,493,945
31/12/2014	228,989,306	262.16	87,347,978
<b>Exempt Shares 2 (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	24,555,193	177.06	13,868,492
30/06/2013	25,102,335	215.10	11,670,041
30/06/2014	29,151,981	248.24	11,743,263
31/12/2014	30,943,252	260.33	11,886,339
<b>Institutional Shares (Accumulation)</b>		<b>Pence</b>	
30/06/2012	84,713,150	168.66	50,226,477
30/06/2013	9,131,506	204.40	4,467,559
30/06/2014	9,663,318	235.30	4,106,842
31/12/2014	8,964,170	246.43	3,637,576
<b>X Shares (Net Accumulation)</b>		<b>Pence</b>	
30/06/2012	43,615,494	183.34	23,789,291
30/06/2013	53,857,583	224.41	24,000,124
30/06/2014	81,215,934	260.93	31,125,323
31/12/2014	67,847,472	274.52	24,715,180
<b>P Shares (Net Income)**</b>		<b>Pence</b>	
30/06/2012	15,288	101.92	15,000
30/06/2013	16,888	120.31	14,037
<b>Institutional Shares W (Net Income)</b>		<b>Pence</b>	
30/06/2013	2,202,874	112.82	1,952,497
30/06/2014	20,804,584	126.87	16,397,931
31/12/2014	19,986,222	133.07	15,019,684

\*\*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
<b>Institutional Shares W (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	602,820	116.07	519,375
30/06/2014	3,026,643	133.95	2,259,561
31/12/2014	5,910,534	140.47	4,207,809
<b>Retail Advised Shares B (Net Income)</b>		<b>Pence</b>	
30/06/2013	9,646,241	111.01	8,689,619
30/06/2014	5,344,424	124.82	4,281,663
31/12/2014	3,818,564	130.70	2,921,639
<b>Retail Advised Shares B (Net Accumulation)</b>		<b>Pence</b>	
30/06/2013	5,689	113.77	5,001
30/06/2014	7,772	130.86	5,939
31/12/2014	12,170	137.02	8,882

**Ongoing Charges**

Share Class	31/12/2014	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, Depository, 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom 91.46% (93.17%)</b>			
<b>Oil &amp; Gas Equipment, Services &amp; Distributions 2.49% (2.37%)</b>			
John Wood	1,530,669	9,130,441	2.49
<b>Chemicals 0.00% (1.32%)</b>			
<b>Mining 0.00% (2.15%)</b>			
<b>Aerospace &amp; Defence 2.77% (3.50%)</b>			
BAE Systems	767,951	3,620,889	0.99
Meggitt	1,257,332	6,519,266	1.78
<b>Support Services 7.35% (9.24%)</b>			
Bunzl	387,894	6,842,450	1.87
Capita	1,432,813	15,488,709	4.23
Intertek	196,510	4,586,543	1.25
<b>Beverages 5.43% (4.09%)</b>			
Diageo	1,076,448	19,898,141	5.43
<b>Food Producers 1.59% (3.56%)</b>			
Associated British Foods	184,417	5,814,668	1.59
<b>Household Goods &amp; Home Construction 2.60% (0.00%)</b>			
Reckitt Benckiser	183,215	9,545,502	2.60
<b>Tobacco 8.05% (4.48%)</b>			
British American Tobacco	536,928	18,792,480	5.13
Imperial Tobacco	377,417	10,703,546	2.92
<b>Pharmaceuticals &amp; Biotechnology 4.39% (6.13%)</b>			
AstraZeneca	347,524	15,831,456	4.32
Indivior	183,215	272,441	0.07
<b>Food &amp; Drug Retailers 0.00% (3.64%)</b>			
<b>General Retailers 3.08% (3.80%)</b>			
Just Eat	559,070	1,724,731	0.47
Next	28,051	1,908,871	0.52
Pets at Home	3,790,548	7,664,488	2.09
<b>Media 8.83% (5.48%)</b>			
Daily Mail & General Trust (A)	447,757	3,685,040	1.01
Moneysupermarket.com	5,072,588	11,798,840	3.22
Reed Elsevier	1,536,474	16,870,485	4.60
<b>Travel &amp; Leisure 14.86% (14.44%)</b>			
Compass	1,403,326	15,450,619	4.22
Domino's Pizza	926,360	6,465,993	1.76
Merlin Entertainments	2,096,000	8,312,736	2.27
Playtech	2,781,820	19,083,285	5.21
Whitbread	107,713	5,137,910	1.40
<b>Fixed Line Telecommunications 0.99% (1.50%)</b>			
Cable & Wireless	7,333,311	3,639,522	0.99

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>United Kingdom (continued)</b>			
<b>Electricity 3.01% (3.04%)</b>			
SSE	681,010	11,045,982	3.01
<b>Gas, Water &amp; Multiutilities 3.62% (4.39%)</b>			
Centrica	4,758,207	13,270,639	3.62
<b>Banks 1.83% (0.00%)</b>			
Standard Chartered	697,586	6,717,753	1.83
<b>Nonlife Insurance 3.08% (3.10%)</b>			
Admiral	852,460	11,269,521	3.08
<b>Life Insurance 5.75% (6.80%)</b>			
Prudential	751,627	11,214,275	3.06
Standard Life	2,465,127	9,862,973	2.69
<b>Real Estate Investment Trusts 1.62% (1.95%)</b>			
Derwent London	197,230	5,952,401	1.62
<b>Financial Services 8.07% (6.40%)</b>			
Intermediate Capital	2,560,275	11,774,705	3.21
Plus500	2,995,208	17,806,512	4.86
<b>Technology Hardware &amp; Equipment 2.05% (1.79%)</b>			
Imagination Technologies	3,286,807	7,510,354	2.05
<b>Overseas Equities 6.46% (5.88%)</b>			
<b>United States of America 2.14% (1.28%)</b>			
Discovery Communications class 'A' shares	354,591	7,827,495	2.14
<b>Switzerland 4.32% (4.60%)</b>			
Novartis	122,968	7,325,618	2.00
Roche	27,191	4,734,974	1.29
Zurich Financial Services	18,674	3,756,857	1.03
<b>Portfolio of investments</b>		<b>358,859,111</b>	<b>97.92</b>
<b>Net current assets</b>		<b>7,612,579</b>	<b>2.08</b>
<b>Total Net Assets</b>		<b>366,471,690</b>	<b>100.00</b>
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Chemicals, Mining and Food & Drug Retailers portfolio categories, which, at 30 June 2014, represented 1.32%, 2.15% and 3.64% 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		13,782,488		29,662,192
Revenue	5,023,621		5,181,722	
Expenses	(2,130,252)		(2,246,906)	
Finance costs: Interest	(4,529)		-	
Net revenue before taxation	2,888,840		2,934,816	
Taxation	(92,567)		(44,587)	
Net revenue after taxation		<u>2,796,273</u>		<u>2,890,229</u>
<b>Total return before distributions</b>		<b>16,578,761</b>		<b>32,552,421</b>
Finance costs: Distributions		(114,666)		185,719
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b><u>16,464,095</u></b>		<b><u>32,738,140</u></b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		376,292,131		341,829,405
Amounts receivable on issue of shares	14,276,909		43,877,203	
Amounts payable on cancellation of shares	(40,561,445)		(26,244,781)	
		<u>(26,284,536)</u>		17,632,422
Stamp Duty Reserve Tax		-		(86,713)
Shareholders from investment activities (see above)		16,464,095		32,738,140
Unclaimed distributions		-		1,098
<b>Closing net assets attributable to Shareholders</b>		<b><u>366,471,690</u></b>		<b><u>392,114,352</u></b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		358,859,111		372,700,062
Debtors	987,413		8,040,186	
Cash and bank balances	7,837,083		5,441,608	
Total other assets		8,824,496		13,481,794
Total assets		367,683,607		386,181,856
<b>LIABILITIES</b>				
Creditors	(1,211,917)		(5,091,526)	
Distribution payable on income shares	-		(4,798,199)	
Total other liabilities		(1,211,917)		(9,889,725)
Total liabilities		(1,211,917)		(9,889,725)
<b>Net assets attributable to Shareholders</b>		<b>366,471,690</b>		<b>376,292,131</b>

**Portfolio Transaction Costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		118,928,928		112,102,396
Commissions	82,096		71,025	
Taxes	<u>480,354</u>		<u>449,904</u>	
Total purchase costs		562,450		520,929
<b>Gross purchases total</b>		<b><u>119,491,378</u></b>		<b><u>112,623,325</u></b>
Analysis of total sales proceeds:				
Sales before transaction costs		148,057,040		94,172,568
Commissions	(111,650)		(62,875)	
Taxes	<u>(333)</u>		<u>(70)</u>	
Total sales costs		(111,983)		(62,945)
<b>Total sales net of transaction costs</b>		<b><u>147,945,057</u></b>		<b><u>94,109,623</u></b>

**BNY MELLON INVESTMENT FUNDS – THE BOSTON COMPANY US OPPORTUNITIES FUND**

**Interim Report  
for the six months ended  
31 December 2014**

## Fund Report

for the six months ended 31 December 2014

### General Information

Investment Adviser:	The Boston Company Asset Management LLC
Fund Size:	£102.49m
Comparative Index:	S&P 500 TR
Sector:	The Investment Association North America

Yield as at 31 December 2014:

Sterling Income Shares	0.00%
Euro Accumulation Shares	0.00%
Exempt Shares 1 (Net Accumulation)	0.43%
Institutional Shares (Accumulation)	0.00%
Institutional Shares W (Net Income)	0.22%
Institutional Shares W (Net Accumulation)	0.22%
Retail Advised Shares B (Net Income)	0.00%
Retail Advised Shares B (Net Accumulation)	0.00%
Institutional F Shares (Net Income)	0.10%
Institutional Shares F (Net Accumulation)	0.08%

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	31/12/2013	31/12/2012	31/12/2011	31/12/2010	31/12/2009
To	31/12/2014	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Sterling Income Shares*	13.70%	33.65%	n/a	n/a	n/a
Euro Accumulation Shares*	12.90%	34.24%	n/a	n/a	n/a
Exempt Shares 1 (Net Accumulation)*	14.93%	35.09%	n/a	n/a	n/a
Institutional Shares (Accumulation)*	14.35%	34.42%	n/a	n/a	n/a
Institutional Shares W (Net Income)*	14.57%	34.74%	n/a	n/a	n/a
Institutional Shares W (Net Accumulation)*	14.64%	34.74%	n/a	n/a	n/a
Retail Advised Shares B (Net Income)*	14.27%	34.33%	n/a	n/a	n/a
Retail Advised Shares B (Net Accumulation)*	14.27%	34.32%	n/a	n/a	n/a
Institutional F Shares (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
S&P 500 TR	20.76%	29.93%	n/a	n/a	n/a

Source: Lipper as at 31 December 2014 - 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 six-month period under review, the Sterling Income Share Class of the Sub-Fund returned 12.26% against 16.37% for the Standard & Poor's 500 Index TR.

The Fund posted a solid return, although it underperformed its comparative index. US stocks delivered gains in the third and fourth quarters, helped by positive economic data points and a relatively upbeat economic assessment from the Federal Reserve (Fed). Allocation benefited the Fund's relative performance, while stock selection detracted during the second half. At the sector level, the healthcare sector was the top performer in the period, on both relative and absolute bases, as a strong second-quarter earnings season refocused investors on company-specific valuations. Relative outperformance in energy was driven by a sizeable underweight to the worst performing benchmark sector. Conversely, difficult stock selection weighed on information technology holdings. An initial lack of exposure to Apple hurt relative performance as the stock generated returns more than twice that of the sector overall, although the Fund did ultimately establish a position given increased confidence in the company's pricing and margin discipline. The cyclical consumer discretionary sector (whose price is affected by ups and downs in the overall economy) was pressured by the media holdings and related secular concerns about a shift in ad spending from traditional to digital. In addition, overall economic weakness in emerging markets and Europe resulted in sell-offs of apparel and gaming positions.

In 2015, US markets could be pushed higher by healthy domestic profit growth, which may be offset at times by the downward pull of challenges in the economy as a whole. Volatility is also likely to rise during the year, especially if market participants have not fully expected the Fed to stick to its promise of raising interest rates over time.

During the fourth quarter, the Fund managers initiated positions in Apple, Fortinet, Infoblox, Fidelity National Financial, Ulta Salon, Valspar, McKesson, and Norwegian Cruise Line. Positions were eliminated in Juniper Networks, Las Vegas Sands, Schlumberger, Anadarko Petroleum, AmerisourceBergen, MSC Industrial Direct, Danaher, HCA Holdings, TD Ameritrade, and Microsoft.

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

#### Purchases

SPDR Trust Series 1  
Vanguard S&P 500 ETF  
iShares Russell 3000 Growth  
iShares Russell 1000 Growth  
Apple  
Wells Fargo  
Phillips 66  
Intercontinental Exchange  
PepsiCo  
Fortinet

#### Sales

SPDR Trust Series 1  
iShares Russell 3000 Growth  
Vanguard S&P 500 ETF  
iShares Russell 1000 Growth  
Microsoft  
HCA  
TD Ameritrade  
Consol Energy  
JDS Uniphase  
Danaher

**Statistics**
**Price and Revenue Record by Share Class**

Calendar Year

	Highest Price	Lowest Price	Net Revenue per share*
<b>Sterling Income Shares</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Euro Accumulation Shares</b>			
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
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
<b>Exempt Shares 1 (Net Accumulation)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
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
<b>Institutional Shares (Accumulation)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 24 April)	106.55	95.73	0.0719
2013	137.78	103.12	0.2430
2014	158.46	131.41	0.0047
<b>Institutional Shares W (Net Income)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	101.66	95.42	0.0000
2013	122.33	98.45	0.4652
2014	150.98	125.38	0.3247
<b>Institutional Shares W (Net Accumulation)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 30 August)	101.66	95.42	0.0000
2013	122.33	98.45	0.4003
2014	152.04	125.88	0.3250
<b>Retail Advised Shares B (Net Income)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 24 September)	100.38	94.24	0.0000
2013	129.60	97.20	0.1614
2014	148.93	123.58	0.0000
<b>Retail Advised Shares B (Net Accumulation)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2012 (from 24 September)	100.38	94.25	0.0000
2013	129.79	97.20	0.1661
2014	149.15	123.76	0.0000
<b>Institutional F Shares (Net Income)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 7 May)	120.16	99.48	0.1198
<b>Institutional Shares F (Net Accumulation)</b>			
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
2014 (from 7 May)	118.12	98.03	0.0885

\*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
<b>Sterling Income Shares</b>			
		<b>Pence</b>	
30/06/2012	53,691,017	106.36	50,479,569
30/06/2013	40,220,623	130.81	30,746,965
30/06/2014	36,296,967	148.48	24,445,466
31/12/2014	39,520,876	165.61	23,864,525
<b>Euro Accumulation Shares</b>			
		<b>Cents</b>	
30/06/2012	1,558,713	67.36	2,869,623
30/06/2013	1,227,356	77.33	1,851,959
30/06/2014	838,487	93.97	1,114,389
31/12/2014	1,144,979	107.86 *	1,367,793
*Euro/Sterling exchange rate at close of business 31 December 2014		1.288550	
<b>Exempt Shares 1 (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	884,377	102.22	865,204
30/06/2013	996,227	127.09	783,848
30/06/2014	730,370	145.81	500,907
31/12/2014	897,875	163.51	549,119
<b>Institutional Shares (Accumulation)</b>			
		<b>Pence</b>	
30/06/2012	14,767	98.45	15,000
30/06/2013	307,314	121.81	252,289
30/06/2014	484,918	139.05	348,731
31/12/2014	542,388	155.53	348,731
<b>Institutional Shares W (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	575,004	115.63	497,288
30/06/2014	11,221,112	132.40	8,475,346
31/12/2014	16,684,255	148.19	11,258,801
<b>Institutional Shares W (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	29,404	116.52	25,236
30/06/2014	26,468,059	133.25	19,863,486
31/12/2014	35,203,496	149.21	23,592,491
<b>Retail Advised Shares B (Net Income)</b>			
		<b>Pence</b>	
30/06/2013	2,443,432	114.69	2,130,386
30/06/2014	1,156,540	130.75	884,531
31/12/2014	1,227,137	146.18	839,469
<b>Retail Advised Shares B (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2013	8,614	114.52	7,522
30/06/2014	9,847	130.93	7,521
31/12/2014	11,010	146.39	7,521
<b>Institutional F Shares (Net Income)</b>			
		<b>Pence</b>	
30/06/2014	2,589,281	105.20	2,461,275
31/12/2014	6,140,199	117.94	5,206,115
<b>Institutional Shares F (Net Accumulation)</b>			
		<b>Pence</b>	
30/06/2014	645,448	103.42	624,093
31/12/2014	1,122,742	115.94	968,381

**Statistics (continued)****Ongoing Charges**

<b>Share Class</b>	<b>31/12/2014</b>	<b>30/06/2014</b>
	<b>%</b>	<b>%</b>
Sterling Income Shares	1.68	1.68
Euro Accumulation Shares	2.19	2.18
Exempt Shares 1 (Net Accumulation)	0.61	0.63
Institutional Shares (Accumulation)	1.11	1.12
Institutional Shares W (Net Income)	0.86	0.88
Institutional Shares W (Net Accumulation)	0.86	0.88
Retail Advised Shares B (Net Income)	1.20	1.18
Retail Advised Shares B (Net Accumulation)	1.20	1.18
Institutional F Shares (Net Income)	0.66	0.72
Institutional Shares 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 31 December 2014

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Apparel 1.98% (1.34%)</b>			
Michael Kors	42,173	2,030,958	1.98
<b>Banks 7.51% (6.17%)</b>			
Comerica	49,709	1,493,263	1.46
Svb Financial	48,476	3,608,536	3.52
Wells Fargo	73,618	2,588,256	2.53
<b>Beverages 3.86% (1.97%)</b>			
PepsiCo	65,211	3,954,691	3.86
<b>Biotechnology 13.66% (7.70%)</b>			
Actavis	13,796	2,279,293	2.22
Biogen Idec	10,138	2,207,636	2.15
Bristol-Myers Squibb	61,334	2,321,192	2.26
Gilead Sciences	45,502	2,750,401	2.68
Illumina	16,897	1,999,790	1.95
Vertex Pharmaceuticals	32,314	2,461,812	2.40
<b>Computers 1.02% (1.33%)</b>			
EMC	54,660	1,042,896	1.02
<b>Construction &amp; Materials 2.08 (0.00%)</b>			
Valspar	38,342	2,126,791	2.08
<b>Diversified Financial Services 3.08% (3.14%)</b>			
Discover Financial Services	75,265	3,161,202	3.08
<b>Electronic &amp; Electrical Equipment 3.14% (2.80%)</b>			
Arrow Electronics	36,522	1,356,414	1.32
Veeco Instruments	83,595	1,869,461	1.82
<b>Industrial Engineering 2.96% (1.67%)</b>			
Parker-Hannifin	36,683	3,032,979	2.96
<b>Financial Services 14.89% (12.32%)</b>			
E*Trade Financial	284,493	4,424,534	4.32
FNF	117,058	2,585,524	2.52
Goldman Sachs	12,774	1,587,933	1.55
Intercontinental Exchange	19,616	2,759,009	2.69
Invesco	92,745	2,350,075	2.29
Raymond James Financial	42,452	1,559,500	1.52
<b>Food &amp; Drug Retailers 1.93 (0.00%)</b>			
McKesson	14,835	1,975,146	1.93
<b>General Retailers 2.11 (0.00%)</b>			
Ulta Salon Cosmet	26,384	2,162,667	2.11
<b>Internet 2.91% (3.52%)</b>			
Google	5,771	1,948,242	1.90
Google class 'A' shares	3,041	1,034,808	1.01

**Portfolio Statement (continued)**

<b>Investments</b>	<b>Holding</b>	<b>Market Value (£)</b>	<b>Total Net Assets (%)</b>
<b>Manufacturers 3.26% (3.88%)</b>			
Steelcase	290,593	3,343,427	3.26
<b>Media 3.40% (4.33%)</b>			
AMC Networks	48,033	1,964,139	1.92
Viacom New class 'B' non-voting shares	31,495	1,519,961	1.48
<b>Mining 1.05% (5.70%)</b>			
Yamana Gold	416,724	1,071,710	1.05
<b>Non Equity Investment Instruments 3.07% (5.43%)</b>			
SPDR Trust Series 1	15,542	2,048,544	2.00
Vanguard S&P 500 ETF	9,068	1,096,011	1.07
<b>Oil &amp; Gas Producers 1.60% (0.00%)</b>			
Phillips 66	35,611	1,637,524	1.60
<b>Pharmaceuticals &amp; Biotechnology 1.48% (3.50%)</b>			
Isis Pharmaceuticals	38,253	1,514,664	1.48
<b>Real Estate 3.36% (2.24%)</b>			
Realogy	120,522	3,438,848	3.36
<b>Semiconductors 3.33% (5.07%)</b>			
Applied Micro Circuits	228,599	955,886	0.93
Mellanox Technologies	89,856	2,462,432	2.40
<b>Software 8.03% (2.56%)</b>			
Dealertrack Technologies	60,053	1,705,016	1.66
Fortinet	144,277	2,836,037	2.77
Infoblox	205,760	2,666,929	2.60
Symantec	62,567	1,029,241	1.00
<b>Technology, Hardware &amp; Equipment 5.06% (1.25%)</b>			
Apple	73,213	5,182,781	5.06
<b>Telecommunications 1.50% (7.11%)</b>			
Ciena	123,699	1,539,048	1.50
<b>Transportation 1.69% (2.14%)</b>			
Kirby	33,387	1,729,037	1.69

**Portfolio Statement (continued)**

<b>Investments</b>	<b> Holding</b>	<b> Market Value (£)</b>	<b> Total Net Assets (%)</b>
<b>Travel &amp; Leisure 1.75 (0.00%)</b>			
Norwegian Cruise Line	59,609	1,786,836	1.75
<b>Portfolio of investments</b>		<b>102,201,080</b>	<b>99.71</b>
<b>Net current assets</b>		<b>293,877</b>	<b>0.29</b>
<b>Total Net Assets</b>		<b>102,494,957</b>	<b>100.00</b>

Total unapproved and unquoted securities 0.00%

Comparative figures in brackets refer to 30 June 2014.

During the six months ended 31 December 2014, the Fund disposed of its holdings in the Agriculture, Healthcare Equipment & Services, Lodging, Non-Life Insurance, Oil & Gas Services, Pharmaceuticals, Retail and Support Services portfolio categories, which, at 30 June 2014, represented 1.91%, 1.65%, 1.46%, 1.74%, 2.42%, 1.54%, 1.70% and 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 six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
Income				
Net capital gains		11,529,151		6,556,969
Revenue	541,242		315,405	
Expenses	(557,706)		(404,024)	
Finance costs: Interest	(116)		(17)	
Net expenses before taxation	(16,580)		(88,636)	
Taxation	(47,168)		(27,885)	
Net expenses after taxation		(63,748)		(116,521)
<b>Total return before distributions</b>		<b>11,465,403</b>		<b>6,440,448</b>
Finance costs: Distributions		(21,479)		24,780
<b>Change in net assets attributable to Shareholders from investment activities</b>		<b>11,443,924</b>		<b>6,465,228</b>

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

for the six months ended 31 December 2014

	£	31/12/2014 £	£	31/12/2013 £
<b>Opening net assets attributable to Shareholders</b>		80,441,029		45,807,974
Amounts receivable on issue of shares	45,391,277		27,456,154	
Amounts payable on cancellation of shares	(34,809,378)		(16,939,639)	
		10,581,899		10,516,515
Dilution adjustment		28,105		16,196
Change in net assets attributable to Shareholders from investment activities (see above)		11,443,924		6,465,228
<b>Closing net assets attributable to Shareholders</b>		<b>102,494,957</b>		<b>62,805,913</b>

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

as at 31 December 2014

	£	31/12/2014 £	£	30/06/2014 £
<b>ASSETS</b>				
Investment assets		102,201,080		79,883,813
Debtors	2,918,338		1,646,136	
Cash and bank balances	499,487		259,866	
Total other assets		<u>3,417,825</u>		<u>1,906,002</u>
Total assets		105,618,905		81,789,815
<b>LIABILITIES</b>				
Creditors	(3,123,948)		(1,318,315)	
Distribution payable on income shares	<u>-</u>		<u>(30,471)</u>	
Total other liabilities		<u>(3,123,948)</u>		<u>(1,348,786)</u>
Total liabilities		(3,123,948)		(1,348,786)
<b>Net assets attributable to Shareholders</b>		<u><b>102,494,957</b></u>		<u><b>80,441,029</b></u>

**Portfolio transaction costs**

for the six months ended 31 December 2014

	31/12/2014		31/12/2013	
	£	£	£	£
Analysis of total purchase costs:				
Purchases before transaction costs		116,770,198		35,019,971
Commissions	38,520		8,443	
Taxes	-		-	
Total purchase costs		38,520		8,443
<b>Gross purchases total</b>		<b>116,808,718</b>		<b>35,028,414</b>
Analysis of total sales proceeds:				
Sales before transaction costs		106,055,571		25,236,073
Commissions	(39,398)		(6,947)	
Taxes	(2,332)		(432)	
Total sales costs		(41,730)		(7,379)
<b>Total sales net of transaction costs</b>		<b>106,013,841</b>		<b>25,228,694</b>

## **Director's Statement**

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

**David Turnbull**  
**Director**  
**BNY Mellon Fund Managers Limited**

**10 February 2015**

## Investor Information

### General

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.

The Company has been established as an “umbrella company”. The assets of each sub-fund 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.

Each sub-fund has a specific portfolio of assets and investments to which the Sub-Fund’s assets and/or liabilities are attributable and each investor should view each sub-fund as a separate investment entity.

Investors should be aware that the Company’s creditors may look to all the Company’s assets for payment regardless of the sub-fund in respect of which the debt has arisen. Assets may be re-allocated to and from other sub-funds if it is necessary to do so to satisfy any creditor proceeding against the Company. In the event that any assets are so re-allocated, BNY Mellon Fund Managers Limited, the authorised corporate director, (“ACD”) will advise shareholders in the next report to shareholders. The FSA registered number for the ACD is 122007.

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.

Although each sub-fund, so far as possible, will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if its assets are not sufficient, the ACD may re-allocate assets, liabilities, expenses, costs and charges between the sub-funds in a manner which is fair to the shareholders of the Company generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Values of the relevant sub-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 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 Newton UK Opportunities Fund (08 February);

**2004** – launched 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 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).

**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).

## Investor Information (continued)

**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); 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);

**Investor Information (continued)****2012 (continued)**

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 – 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 – Retail Advised B Net Inc (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).

**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 Exempt shares 1 Net Acc (17 Sept).

**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.

## Investor Information (continued)

### 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 1.50%.
- 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.
- 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.
    - 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.
  - 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.

## Investor Information (continued)

### 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 - Newton International Bond Fund X Shares Net Acc closed.
- 30 October (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 implemented 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; will be implemented with effect from midnight on 30 October 2009:-
        - 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 interest 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 1.50% to 1.25% and on the Institutional Net Acc. share class from 1.00% 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;
- 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 longer 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.
  - The Newton Higher Income Fund X shares net income share class was reduced to zero.

### 2011 –

- 4 February 2011- Newton Corporate Bond Fund X Net Acc. share class closed.
- 17 June 2011 – Newton Japan Fund Exempt 1 Net Acc. share class 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.
    - 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.

## Investor Information (continued)

### 2012 –

#### • 30 January 2012 –

- The name of the Newton International Growth Fund changed to Newton Global Equity Fund.
- 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.

• 7 December 2012 – The ACD notified investors of its intention, subject to shareholder and regulatory approval, to merge the Newton Cautious Managed Fund into the Newton Managed Income Fund; a sub-fund of BNY Mellon Managed Funds I. The ACD continues to progress with this process and investors will be updated as appropriate.

### 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 I;

• 2 December 2013 – Following regulatory approval, the ACD updated investors of its intention to merge the Newton Overseas Equity Fund into the Newton Global Equity Fund, subject to shareholder approval, with effect from 15 February 2014;

• 2 December 2013 – Following regulatory approval, the ACD updated investors of its intention to merge the BNY Mellon Global Strategic Bond Fund into the Insight Strategic Bond Fund, subject to shareholder approval, with effect from 15 February 2014;

• 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.

• 14 February 2014 - the Newton UK Opportunitites X Shares (Net Income) closed.

• 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 Accumulation) closed.

• 10 June 2014 - the Newton Long Gilt X Shares (Net Income) closed.

• 15 August 2014 - the Insight Equity Income Booster X Shares (Net Accumulation) closed.

• 25 September 2014 - the Newton Long Gilt X Shares (Net Accumulation) closed.

• 30 September 2014 - the Newton Long Corporate Bond X Shares (Net Accumulation) 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 Accumulation) closed.

• Effective 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.

### 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.

## **Investor Information (continued)**

**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](http://www.bnymellonim.co.uk) under Client Classification.

The ACD makes available the daily prices of shares on its website: [www.bnymellonim.com](http://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.

### **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](http://www.bnymellonam.com/mifenlong)

English Short Report – [www.bnymellonam.com/mifenshort](http://www.bnymellonam.com/mifenshort)

German Long Form – [www.bnymellonam.com/mifdelong](http://www.bnymellonam.com/mifdelong)

German Short Report – [www.bnymellonam.com/mifdeshort](http://www.bnymellonam.com/mifdeshort)

Spanish Long Form – [www.bnymellonam.com/mifeslong](http://www.bnymellonam.com/mifeslong)

Spanish Short Report – [www.bnymellonam.com/mifesshort](http://www.bnymellonam.com/mifesshort)

A 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 copy of the latest Short Report but would prefer not to receive a hard copy for future reporting periods, please write to BNY Mellon Fund Managers Limited at Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom. 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, UK and we will record your preference on your account.

The cost of producing the BNY MIF 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)**

**Synthetic Risk & Reward Indicators**

	1	2	3	4	5	6	7
<b>The Boston Company US Opportunities Fund</b>							
Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 1 (Net Accumulation)							
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)							
Institutional F Shares (Net Income)							
Institutional Shares F (Net Accumulation)							

**BNY Mellon Long-Term Global Equity Fund**

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 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 (Accumulation)							
Sterling Income Shares							
Institutional W (Net Income)							
Institutional W (Net Accumulation)							
Retail Advised B (Net Income)							
Retail Advised 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
<b>Insight Inflation Linked Corporate Bond Fund</b>							
Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares (Income)							
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)							
X Shares (Net Accumulation)							

**Insight Strategic Bond Fund**

Sterling Income Shares							
Sterling Accumulation Shares							
Institutional Shares (Income)							
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 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 (Income)							
Institutional Shares (Accumulation)							
X Shares (Net Income)							
Institutional Shares (Accumulation) Euro							
Institutional Shares (Income) Euro							
Euro Accumulation Shares							
Euro Income Shares							
Institutional Shares (Income) USD <sup>(1)</sup>							
Institutional Shares (Accumulation) USD <sup>(1)</sup>							
USD Income Shares <sup>(1)</sup>							
USD Accumulation Shares <sup>(1)</sup>							
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 <sup>(2)</sup>							

**Newton Multi-Asset Balanced Fund (formerly Newton Balanced 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)							

**Investor Information (continued)**

**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
<b>Newton Continental European Fund</b>							
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)							

**Insight 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)							

**Newton Emerging Income Fund**

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 (Income)							
Institutional Shares (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)							
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)							
Exempt Shares 2 (Gross Income)							

**Investor Information (continued)**

**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
<b>Newton Global Equity Fund</b>							
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)							

**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)							

**Investor Information (continued)**

**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
<b>Newton Higher Income Fund</b>							
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 Index Linked Gilt Fund**

Exempt Shares 2 (Gross Accumulation)							
Institutional Shares (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)							
P Shares (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 (Accumulation)							
X Shares (Gross Accumulation)							
X Shares (Net Income)							

**Newton Long Gilt Fund**

Exempt Shares 2 (Gross Accumulation)							
Newton Long Gilt Institutional Shares (Accumulation)							
Newton Long Gilt X Shares (Gross 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)							

**Investor Information (continued)**

**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
<b>Newton Oriental Fund</b>							
Sterling Income Shares							
Euro Accumulation Shares							
Exempt Shares 1 (Net Accumulation)							
Institutional Shares (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)							

**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 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 W (Net Income)							
Institutional W (Net Accumulation)							
Retail Advised B (Net Income)							
Retail Advised B (Net Accumulation)							
P Shares (Net Accumulation)							

**Newton UK Equity Fund**

Sterling Income Shares							
Institutional Shares (Accumulation)							
Institutional Shares (Income)							
X Shares (Net Accumulation)							
Exempt Shares 1 (Net Accumulation)							
Exempt Shares 3 (Net Accumulation)							
Institutional W (Net Income)							
Institutional W (Net Accumulation)							
Retail Advised B (Net Income)							
Retail Advised B (Net Accumulation)							

**Investor Information (continued)**

**Synthetic Risk & Reward Indicators (continued)**

	1	2	3	4	5	6	7
<b>Newton UK Opportunities Fund</b>							
Sterling Income Shares							
Exempt Shares 2 (Net Accumulation)							
Institutional Shares (Accumulation)							
X Shares (Net Accumulation)							
Institutional W (Net Income)							
Institutional W (Net Accumulation)							
Retail Advised B (Net Income)							
Retail Advised B (Net Accumulation)							

1 The Synthetic Risk Reward Indicator was changed from category 6 to 5, effective 31st October 2014.

2 The Synthetic Risk Reward Indicator was changed from category 5 to 6, effective 31st July 2014 and then from category 6 to 5, effective 31st October 2014.

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.

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

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.

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).

## INVESTMENT FUNDS INFORMATION

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### Directors of BNY Mellon Fund Managers Limited

G A Brisk  
J F Lubran  
M J Oomen  
D M Turnbull (Chairman)

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Call 0844 892 2715  
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### Priceline

(i) Call, **free**, on 0500 330 000

### Client Enquiries

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### Authorisation

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Financial Conduct Authority

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Authority and regulated by the Financial  
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