

Interim Report & Accounts

BNY Mellon Charities Funds

**30 September 2021
(Unaudited)**

BNY Mellon Charities Funds - Interim Report & Accounts

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BNY Mellon Charities Funds - Interim Report & Accounts

Introduction

This is the interim report for BNY Mellon Charities Funds for the six month period ended 30 September 2021.

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

Value assessment and report

In July 2021, BNY Mellon Fund Managers Limited published a consolidated assessment of value report for the period ended March 2021, which included these Sub-funds. This report is available to view on www.bnymellonim.com. The report will be published annually.

BNY Mellon Charities Funds - Interim Report & Accounts

Notes applicable to the financial statements of all Sub-funds

for the period ended 30 September 2021

Basis of accounting

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

All other accounting policies used to prepare the interim financial statements are as per the audited financial statements for the year ended 31 March 2021.

Holdings in other Sub-funds of the Trust

As at 30 September 2021, the Sub-funds did not hold shares in any other Sub-fund of the Trust.

BNY Mellon Charities Funds

Newton Growth and Income Fund for Charities

Interim Report

for the period ended 30 September 2021

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

Performance and Fund Report

for the period ended 30 September 2021

General Information

Fund Size:	£820.82m as at 30 September 2021			
Accounting Dates:	Interim	30 June	30 September	31 December
	Final	31 March		
Distribution Dates:	Interim	31 August	30 November	28 February
	Final	31 May		

Yield as at 30 September 2021:

Sterling Accumulation	2.17%
Sterling Income	2.18%
X (Accumulation)	2.15%
X (Income)	2.17%

Key Dates: Fund Launch 9 May 2014

Investment Objective

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

Investment Policy

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

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

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

Statutory Performance Data

From	31/03/2021	31/03/2020	31/03/2019	31/03/2018
To	30/09/2021	31/03/2021	31/03/2020	31/03/2019
Sterling Accumulation*	8.58%	23.83%	-6.45%	11.27%
Sterling Income*	8.59%	23.83%	-6.46%	11.25%
X (Accumulation)*	8.88%	24.49%	-5.97%	11.83%
X (Income)*	8.87%	24.49%	-5.97%	11.82%

50% FTSE All-Share TR Index/ 25% FTSE World ex UK TR Index/ 20%
FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% LIBID GBP
7 Day**

6.34%	21.76%	-8.18%	7.07%
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*Source - Lipper, midday prices, offer to offer, gross income reinvested, net of fees.

**Source - Index data provided by Datastream (in Sterling terms); index composite calculated by Newton.

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

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

Performance and Fund Report

(continued)

Fund Report

Attribution

Global *equities* advanced over the six-month review period, drawing strength from an impressive slate of US economic data, robust corporate earnings and further evidence that vaccination programmes are paving the way for a full reopening of economies. However, as the period progressed, the widening scope of regulatory intervention within China unnerved investors. Concern that a highly indebted Chinese property developer might *default* on its loans, which could trigger a broader crisis in the property and financial sectors, also depressed sentiment.

Towards the end of the review period, higher energy prices, goods shortages and wage-inflation numbers meant central banks adopted a more '*hawkish*' tone, with major central banks in the US and UK highlighting that *monetary stimulus* could be 'tapered' and interest rates moved higher, over the coming year.

Against this backdrop, the Sub-fund produced a strong positive return over the reporting period (+8.59%*), and outperformed its performance benchmark (+6.34%**). Outperformance was mainly attributable to stock selection within equities. Asset allocation was also positive, owing mainly to the Sub-fund's underweight position in bonds.

In a strong demand environment for electric vehicles, the price of lithium significantly increased over the quarter. This benefited the holding in lithium producer, Albemarle, as the return profile of its growth projects and current contract pricing received a firm underpinning.

Alphabet, the parent company of Google, performed well as the company issued a good set of second-quarter results in which revenue easily surpassed expectations, with search a specific area of strength. Microsoft also continued to report good results and is well positioned in key secular-growth markets.

Wolters Kluwer's results demonstrated the continued resilience of the business. The company owns some non-discretionary datasets with a high proportion of its revenues being from recurring, subscription-type sales. We believe the company will continue to demonstrate attractive compounding characteristics over the long term. RELX contributed as investor confidence in a recovery in exhibitions gathered pace. First-half results were better than expected, with the organic growth displayed by the Scientific, Technical & Medical segment a particular standout.

Plumbing and heating products distributor Ferguson reported a strong trading environment in its US operations, benefiting from price inflation and profit expansion as consumer demand was strong in a tight supply environment. We believe the company remains well placed to grow and increase market share over the long term. Elevator manufacturer Otis Worldwide also benefited from the strong construction environment with its share price rallying following impressive financial results.

Conversely, Eversource Energy was weak as the company reported slightly disappointing results on elevated storm costs. More notably, the company was reprimanded by one of its regulators and had financial penalties imposed as a result of disruption to power supplies following storms last year. Medical equipment manufacturer Smith & Nephew was also weak on regulated price declines for its products in the Chinese market and the prolonged effect of Covid-19 on the resumption of elective medical procedure volumes.

The zero weighting in BP and the underweight in Royal Dutch Shell detracted, as the oil price surged against a backdrop of tightening supply and rebounding demand. Not holding Glencore also detracted, with the company benefiting from rising coal, oil and gas prices.

Turning to bonds, although the Sub-fund's position in corporate bonds was very slightly detrimental as *credit spreads* widened, this was more than offset by the underweight in UK government bonds, as their *yields* rose in an inflationary environment.

Activity

The Sub-fund acquired a holding in Universal Music Group (UMG), a leading global pure-play record label, following its demerger from Vivendi. The shift towards a subscription-based streaming model has transformed the economics of the music industry, enhancing the visibility of revenues and allowing for significant margin expansion through lower distribution costs and operating leverage, while gaming, social media and emerging-market growth increase addressable markets. We forecast UMG to strongly grow revenues and earnings over the next five years and for investors to increasingly value this differentiated income stream.

In financials, we added to the holding in Barclays, attracted by the bank's improving returns profile and the potential for value-enhancing shareholder returns, following regulatory easing. We reduced the holding in Citigroup as the shares have performed well for much of this year on higher interest-rate and inflation expectations. We trimmed holdings in insurers AIA and Prudential. While the long-term growth outlook remains in place, investors' willingness to reward this growth is likely to remain subdued in the short term, as the risk of government intervention in markets remains heightened.

We added to the holding in AstraZeneca, as the success of its strategic and scientific decisions over recent years give us confidence in continued pipeline success. We believe the recent acquisition, Alexion, an American rare-diseases specialist, will enhance the company's capabilities in immunology and rare diseases in the long term, while growth from its existing assets provides an increasingly stable base to build on.

We sold the holding in Norwegian office landlord Entra. The stock had performed well following a number of corporate approaches, leading management to revalue the property portfolio. With further *yield* compression appearing less likely in an environment of upward pressure on bond yields, we sold the holding. A rally in salmon prices and the subsequent recovery in the share price of Norwegian fish farmer Mowi, provided us with the opportunity to sell the small holding in the stock, as the longer-term supply dynamics of the industry have the potential to change.

Having reduced the position earlier in the year, we sold the holding in engineering business Smiths Group. The announcement of a new CEO creates an element of strategic uncertainty at a time when the group is in the middle of a corporate reorganisation and seeking growth. We also sold the holding in Thales into the cyclical recovery. We are less positive on some of the company's exposures, as industry demand profiles undergo change post pandemic.

Finally, we reduced the holding in Brenntag on strong performance. The group has benefited from economic recovery and inflation in commodity prices along with management's efficiency gains and growth from new acquisitions.

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

Performance and Fund Report

(continued)

Outlook

Governments around the world look set to play an increasing role in both stimulating and regulating domestic economies. We expect *geopolitics* to determine the attractiveness of long-term capital-allocation decisions for corporate investment, with related consequences for supply chains, employment and inflation. These are additional disruptive forces that management teams must consider, alongside well-established disruptions in the form of technology and the energy transition.

As the impact of the pandemic subsides and we adapt to endemic conditions, supply-chain issues should begin to resolve. Some longer-term scarring to industry processes may persist, however, with implications for sourcing and inflation. The reaction of monetary and *fiscal* authorities to these effects will be an important determinant of financial conditions and asset valuations.

At Newton, our investment process aims to identify these dynamics and capture the opportunities and challenges presented by them via our themes, which guide our portfolio construction over the long term.

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

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

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

For a definition of italicised terms, please refer to the Glossary on page 31.

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

Purchases	Sales
Barclays	Brenntag
AstraZeneca	Smiths
GlaxoSmithKline	Mowi
Alcon	Thales
SAP	Entra
Eversource Energy	Citigroup
Roche	Prudential
	AIA
	Microsoft
	Diageo

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

Statistics

for the period ended 30 September 2021

Price and Revenue Record by Unit Class

Unit class	Highest Price (p)	Lowest Price (p)	Net Revenue per unit (p)
Sterling Accumulation			
31/03/2019	156.81	137.08	4.1930
31/03/2020	176.04	132.41	4.5327
31/03/2021	179.75	140.39	3.3440
30/09/2021	199.97	178.46	2.6426
Sterling Income			
31/03/2019	139.19	123.15	3.7306
31/03/2020	150.42	113.14	3.9201
31/03/2021	150.26	119.22	2.8169
30/09/2021	165.24	148.54	2.1947
X (Accumulation)			
31/03/2019	117.04	102.11	3.1313
31/03/2020	132.39	99.61	3.3988
31/03/2021	135.81	105.64	2.5223
30/09/2021	151.63	135.00	1.9837
X (Income)			
31/03/2019	142.03	125.39	3.8070
31/03/2020	154.65	116.36	4.0194
31/03/2021	155.22	122.64	2.9059
30/09/2021	171.31	153.63	2.2498

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

Statistics

(continued)

Net Asset Value History by Unit Class

Unit class as at	Net Asset Value (£)	Per unit (p)	Units in issue
Sterling Accumulation			
31/03/2019	19,135,931	154.90	12,353,908
31/03/2020	19,638,955	143.99	13,639,525
31/03/2021	24,193,111	177.91	13,598,649
30/09/2021	30,860,361	192.40	16,039,355
Sterling Income			
31/03/2019	404,853,758	135.30	299,227,644
31/03/2020	356,766,507	122.29	291,745,455
31/03/2021	380,409,922	148.08	256,887,874
30/09/2021	396,078,438	157.94	250,776,713
X (Accumulation)			
31/03/2019	91,207,748	115.96	78,654,753
31/03/2020	76,476,731	108.35	70,586,098
31/03/2021	153,808,058	134.58	114,284,440
30/09/2021	164,473,022	145.95	112,693,722
X (Income)			
31/03/2019	192,293,505	138.46	138,881,318
31/03/2020	186,418,924	125.80	148,185,424
31/03/2021	221,648,866	153.15	144,723,902
30/09/2021	229,404,939	163.81	140,041,729

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

Statistics

(continued)

Operating Charges

Unit class	30/09/2021*	31/03/2021
	%	%
Sterling Accumulation	0.63	0.63
Sterling Income	0.63	0.63
X (Accumulation)	0.03	0.03
X (Income)	0.03	0.03

* The operating charges figure as at 30 September 2021 is an annualised figure.

The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Trustee, Custodian, Auditor and Regulator.

The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two.

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

Portfolio Statement (Unaudited)

as at 30 September 2021

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Bonds 10.88% (11.62%)			
UK Government Bonds 10.54% (11.26%)			
United Kingdom Gilt 1.75% 7/9/2022	GBP16,386,504	16,616,653	2.03
United Kingdom Gilt 2.75% 7/9/2024	GBP5,985,614	6,387,997	0.78
United Kingdom Gilt 4.25% 7/12/2027	GBP11,937,000	14,496,114	1.77
United Kingdom Gilt 4.25% 7/3/2036	GBP18,954,594	26,518,898	3.23
United Kingdom Gilt 4.25% 7/9/2039	GBP15,264,328	22,416,810	2.73
Sterling Denominated Corporate Bonds 0.34% (0.36%)			
Next 4.375% 2/10/2026	GBP2,498,000	2,806,933	0.34
Collective Investment Schemes 1.37% (1.45%)			
BNY Mellon Sustainable Sterling Bond Fund†	10,471,744	11,265,502	1.37
Equities 82.09% (84.04%)			
United Kingdom 36.23% (36.20%)			
Admiral	374,734	11,646,733	1.42
Anglo American	508,431	13,333,603	1.63
AstraZeneca	206,984	18,537,487	2.26
Aviva	1,853,345	7,337,393	0.89
BAE Systems	2,196,119	12,412,465	1.51
Barclays	7,717,232	14,631,872	1.78
Diageo	792,970	28,590,533	3.48
Ferguson	203,973	21,080,609	2.57
GlaxoSmithKline	1,157,988	16,251,204	1.98
Informa	1,081,834	5,941,432	0.72
Linde	33,358	7,257,193	0.89
Lloyds Banking	28,978,948	13,492,598	1.64
National Grid	1,476,603	13,062,030	1.59
Prudential	1,135,731	16,519,207	2.01
Reckitt Benckiser	168,464	9,821,451	1.20
RELX	1,135,263	24,374,097	2.97
Sage	797,659	5,660,188	0.69
Smith & Nephew	767,448	9,877,056	1.20
St James's Place	665,360	10,026,975	1.22
Travis Perkins	419,854	6,444,759	0.79
Unilever	570,398	22,844,440	2.78
Vodafone	7,311,408	8,283,825	1.01
United States of America 19.31% (18.96%)			
Abbott Laboratories	202,560	17,743,436	2.16
Albemarle	91,537	14,862,755	1.81
Alphabet	8,942	17,715,486	2.16
Apple	75,266	7,888,598	0.96
Applied Materials	109,162	10,417,893	1.27
Citigroup	154,662	8,047,677	0.98
CME	69,943	10,026,019	1.22
Eversource Energy	213,848	12,963,945	1.58
Mastercard	31,809	8,198,836	1.00
Microsoft	135,152	28,235,226	3.44
Otis Worldwide	158,519	9,673,262	1.18
Texas Instruments	89,195	12,710,296	1.55
Australia 1.01% (1.35%)			
BHP	437,376	8,257,659	1.01
Denmark 0.52% (0.51%)			
Novozymes	84,651	4,297,522	0.52
France 2.85% (4.23%)			
Bureau Veritas	420,494	9,649,912	1.17
Legrand	119,050	9,487,572	1.16
Vivendi	452,724	4,243,376	0.52

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

Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Germany 2.86% (3.88%)			
Brenntag	59,535	4,122,342	0.50
LEG Immobilien	62,942	6,638,002	0.81
SAP	126,017	12,685,643	1.55
Hong Kong 1.24% (1.60%)			
AIA	1,191,200	10,202,439	1.24
Ireland 5.17% (4.92%)			
Accenture	54,702	12,975,776	1.58
CRH	214,940	7,501,406	0.91
Medtronic	84,651	7,868,365	0.96
Smurfit Kappa	364,096	14,097,797	1.72
Japan 1.69% (1.74%)			
Sony	167,800	13,886,467	1.69
Netherlands 4.53% (2.95%)			
Royal Dutch Shell	713,924	11,776,890	1.43
Universal Music	452,724	8,990,664	1.10
Wolters Kluwer	208,975	16,420,555	2.00
Norway 0.00% (1.30%)			
South Korea 1.31% (1.32%)			
Samsung SDI GDR	95,448	10,731,573	1.31
Switzerland 4.21% (3.80%)			
Alcon	122,423	7,401,053	0.90
Novartis	155,267	9,484,150	1.16
Roche	35,612	9,680,190	1.18
Zurich Insurance	26,171	7,979,471	0.97
Taiwan 1.16% (1.28%)			
Taiwan Semiconductor Manufacturing ADR	115,003	9,522,813	1.16
Portfolio of investments		774,321,123	94.34
Net current assets		46,495,637	5.66
Total Net Assets		820,816,760	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 31 March 2021.

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

†Considered a related party of the Manager.

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

Statement of Total Return

for the period ended 30 September 2021

		30/09/2021		30/09/2020
	£	£	£	£
Income				
Net capital gains		54,303,734		63,105,902
Revenue	11,990,404		8,707,976	
Expenses	(1,403,068)		(1,322,932)	
Interest payable and similar charges	(733)		(265)	
Net revenue before taxation	10,586,603		7,384,779	
Taxation	(470,729)		(500,785)	
Net revenue after taxation		10,115,874		6,883,994
Total return before distributions		64,419,608		69,989,896
Distributions		(11,428,867)		(8,043,595)
Change in net assets attributable to Unitholders from investment activities		52,990,741		61,946,301

Statement of Change in Net Assets Attributable to Unitholders

for the period ended 30 September 2021

		30/09/2021		30/09/2020
	£	£	£	£
Opening net assets attributable to Unitholders		780,059,957		639,301,117
Amounts receivable on issue of units	5,030,500		9,919,829	
Amounts payable on cancellation of units	(19,917,467)		(7,549,540)	
		(14,886,967)		2,370,289
Dilution adjustment		—		295
Change in net assets attributable to Unitholders from investment activities		52,990,741		61,946,301
Retained distributions on accumulation units		2,653,029		1,244,371
Closing net assets attributable to Unitholders		820,816,760		704,862,373

The IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to net assets at the start of the current period as these are not consecutive periods.

Balance Sheet

as at 30 September 2021

		30/09/2021		31/03/2021
	£	£	£	£
ASSETS				
Fixed assets				
Investment assets		774,321,123		757,553,110
Current assets				
Debtors	9,474,621		4,526,606	
Cash and bank balances	417,039		78,497	
Cash equivalents	42,577,692		20,828,693	
Total other assets		52,469,352		25,433,796
Total assets		826,790,475		782,986,906
LIABILITIES				
Investment liabilities		—		—
Creditors				
Distribution payable	(4,131,657)		(2,586,664)	
Other creditors	(1,842,058)		(340,285)	
Total other liabilities		(5,973,715)		(2,926,949)
Total liabilities		(5,973,715)		(2,926,949)
Net assets attributable to Unitholders		820,816,760		780,059,957

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

Distribution Statements

for the period ended 30 September 2021

Interim Dividend distribution in pence per unit

Period

1 July 2021 to 30 September 2021

	Amount Payable	Prior Period 30/09/2020
Sterling Accumulation	1.2658	0.8430
Sterling Income	1.0477	0.7121
X (Accumulation)	0.9507	0.6445
X (Income)	1.0741	0.7437

Interim Dividend distribution in pence per unit

Period

1 April 2021 to 30 June 2021

	Amount Paid	Prior Period 30/06/2020
Sterling Accumulation	1.3768	0.9759
Sterling Income	1.1470	0.8281
X (Accumulation)	1.0330	0.7248
X (Income)	1.1757	0.8415

	Franked (%)	Unfranked (%)
Interim distributions for 30 September 2021	100.00	0.00
Interim distributions for 30 June 2021	100.00	0.00

BNY Mellon Charities Funds

**Newton Sustainable Growth and Income Fund for Charities
(Formerly Newton Growth Fund for Charities)**

Interim Report

for the period ended 30 September 2021

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

Performance and Fund Report

for the period ended 30 September 2021

General Information

Fund Size:	£73.91m as at 30 September 2021			
Accounting Dates:	Interim	30 June	30 September	31 December
	Final	31 March		
Distribution Dates:	Interim	31 August	30 November	28 February
	Final	31 May		

Yield as at 30 September 2021:

Sterling Accumulation	1.48%
Sterling Income	1.50%
X (Income)	1.47%

Key Dates: Fund Launch 7 February 2014

Investment Objective

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

Investment Policy

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

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

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

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

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

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

Statutory Performance Data

From To	31/03/2021 30/09/2021	31/03/2020 31/03/2021	31/03/2019 31/03/2020	31/03/2018 31/03/2019
Sterling Accumulation*	7.47%	21.35%	-2.09%	10.18%
Sterling Income*	7.46%	21.36%	-2.09%	10.18%
X (Income)*	7.76%	21.97%	-1.61%	10.72%
75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% LIBID GBP 7 Day** Comparative Index***	6.48% n/a	n/a 20.53%	n/a -6.54%	n/a 7.71%

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

**Source - Index data provided by Datastream (in Sterling terms); index composite calculated by Newton.

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

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

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

Performance and Fund Report

(continued)

Fund Report

Attribution

Global equities advanced over the six-month review period, drawing strength from an impressive slate of US economic data, robust corporate earnings and further evidence that vaccination programmes are paving the way for a full reopening of economies. However, as the period progressed, the widening scope of regulatory intervention within China unnerved investors. Concern that a highly indebted Chinese property developer might default on its loans, which could trigger a broader crisis in the property and financial sectors, also depressed sentiment.

Towards the end of the review period, higher energy prices, goods shortages and wage-inflation numbers meant central banks adopted a more 'hawkish' tone, with major central banks in the US and UK highlighting that monetary stimulus could be 'tapered' and interest rates moved higher, over the coming year.

Against this backdrop, the Sub-fund produced a strong positive return over the reporting period (+7.46%*), and outperformed its performance benchmark (+6.48%**). Asset allocation was positive, owing mainly to the Sub-fund's underweight position in bonds; however, this was partially offset by security selection in equities.

In a strong demand environment for electric vehicles, the price of lithium significantly increased over the quarter. This benefited the holding in lithium producer, Albemarle, as the return profile of its growth projects and current contract pricing received a firm underpinning.

Alphabet, the parent company of Google, performed well as the company issued a good set of second-quarter results in which revenue easily surpassed expectations, with search a specific area of strength. Microsoft also continued to report good results and is well positioned in key secular-growth markets.

RELX contributed as investor confidence in a recovery in exhibitions gathered pace. First-half results were better than expected, with the organic growth displayed by the Scientific, Technical & Medical segment a particular standout. Recruit performed well, aided by a robust set of results for the first quarter. In particular, the human resources technology business proved much stronger than expected, supported by low unemployment in the US labour market. The company raised its full-year guidance. University operator Laureate Education also performed well as it continued its strategy of selling assets in Latin America and the US.

Plumbing and heating products distributor Ferguson reported a strong trading environment in its US operations, benefiting from price inflation and profit expansion as consumer demand was strong in a tight supply environment. We believe the company remains well placed to grow and increase market share over the long term. Elevator manufacturer Otis Worldwide also benefited from the strong construction environment with its share price rallying following impressive financial results.

Conversely, a few detractors to performance centred around the portfolio's exposure to China. Naspers and Prosus (through their exposure to Tencent) were affected by the regulatory changes affecting technology companies detailed above, while Ping An Insurance and AIA were negatively affected by sentiment around the Chinese financial system, with concerns about a potential fallout from an Evergrande default.

Short-term market worries around the semiconductor cycle hampered shares in Applied Materials over the quarter following a period of strong performance. However, such concerns were not borne out in another robust set of results for the quarter. CME also detracted on speculation that it had approached CBOE Global Markets about an all-share deal to acquire the fellow Chicago exchange company. The company strenuously denied the rumours.

Turning to bonds, although the Sub-fund's position in corporate bonds was slightly detrimental as credit spreads widened, this was more than offset by the underweight in UK government bonds, as their yields rose in a rising inflationary environment.

Activity

We initiated a position in 3i, which is a UK company that invests proprietary capital across mid-market private equity and infrastructure investments. We believe that 3i can deliver a strong shareholder return over the next three years and is well-underpinned by robust growth at Action, a discount retailer which accounts for 44% of its investment portfolio. Action is a strong asset, delivering a best-in-class returns profile within discount retail. Action currently has approximately 1,700 stores and sees potential for 6,500 stores in Europe over the long term. Importantly, Action has a proven international expansion strategy. We believed that the market was underappreciating the durability of 3i shares returns given Action's growth potential.

The Sub-fund acquired a holding in Universal Music Group (UMG), a leading global pure-play record label, following its demerger from Vivendi. The shift towards a subscription-based streaming model has transformed the economics of the music industry, enhancing the visibility of revenues and allowing for significant margin expansion through lower distribution costs and operating leverage, while gaming, social media and emerging-market growth increase addressable markets. We forecast UMG to strongly grow revenues and earnings over the next five years and for investors to increasingly value this differentiated income stream.

We sold the holding in Novartis, as with several patent expiries on the horizon from 2023, we felt that this could contribute to a more subdued growth outlook for the company. We reinvested the proceeds into AstraZeneca. The company has a successful stream of oncology assets with a significant growth outlook. AstraZeneca's success in producing a Covid-19 vaccine was rewarded last year; however, the company's recent takeover of Alexion, an American rare-diseases specialist, received a sceptical response from investors. The success of AstraZeneca's strategic and scientific decisions over recent years gives us confidence and we believe the acquisition will enhance the company's capabilities in immunology and rare diseases in the long term, while growth from its existing assets provides an increasingly stable base to build on. Also within health care, although some opportunity remains for Merck & Co's cancer drug Keytruda and we expect its success to continue, we decided to exit the holding, mindful of our waning conviction in the growth outlook for the company.

Owing to some concerns over its debt profile, we took advantage of strong recent share-price performance to sell the holding in Lennar. We retain an exposure to the US housebuilding sector, which we believe remains thematically attractive, via positions in Toll Brothers and Ferguson. We also sold the holding in Norwegian salmon farmer Mowi. Despite being exposed to a thematically attractive area, with growing demand for different sources of protein, we remain concerned over supply-side dynamics and pricing.

Following a strong run of performance, we decided to sell the holding of Japanese industrial stock Ebara. The company is exposed to oil and gas, through downstream and midstream, and over the long term the sector has very limited growth potential. The company is also exposed to the

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

Performance and Fund Report

(continued)

semiconductor industry and has benefited from what may prove to be a temporary shortage of semiconductor chips. With Continental's restructuring story delayed by the coronavirus outbreak and supply-chain issues, and with cash flow needing to be reinvested to maintain relevance, we took the decision to sell the holding. We also sold the holding in French cosmetics group L'Oréal. The stock had performed well and we felt there was a risk that any further recovery in cosmetic sales would not meet elevated expectations.

Naspers' holding in Prosus, and in turn, its considerable exposure to Tencent, led us to sell the holdings in both Naspers and Prosus. Although we continue to like the opportunities afforded by Tencent's business model, regulatory headwinds in China look set to be an overhang for some time to come.

Outlook

Governments around the world look set to play an increasing role in both stimulating and regulating domestic economies. We expect *geopolitics* to determine the attractiveness of long-term capital-allocation decisions for corporate investment, with related consequences for supply chains, employment and inflation. These are additional disruptive forces that management teams must consider, alongside well-established disruptions in the form of technology and the energy transition.

As the impact of the pandemic subsides and we adapt to endemic conditions, supply-chain issues should begin to resolve. Some longer-term scarring to industry processes may persist, however, with implications for sourcing and inflation. The reaction of monetary and *fiscal* authorities to these effects will be an important determinant of financial conditions and asset valuations.

At Newton, our investment process aims to identify these dynamics and capture the opportunities and challenges presented by them via our themes, which guide our portfolio construction over the long term.

*Source: Lipper, Sterling Income share class, midday prices, offer to offer, gross income reinvested, net of fees

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

Performance Benchmark: 75% MSCI AC World NR Index; 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index; 5% LIBID GBP 7 Day

For a definition of italicised terms, please refer to the Glossary on page 31.

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

Purchases	Sales
AstraZeneca	Merck & Co
3i	Novartis
Mastercard	Ebara
Hipgnosis Songs Fund	L'Oreal
SAP	Continental
GlaxoSmithKline	Naspers
Fresenius Medical Care	Lennar
M3	Mowi
Sony	Prosus
	Citigroup

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

Statistics

for the period ended 30 September 2021

Price and Revenue Record by Unit Class

Unit class	Highest Price (p)	Lowest Price (p)	Net Revenue per unit (p)
Sterling Accumulation			
31/03/2019	152.04	135.14	3.4048
31/03/2020	172.70	137.18	3.4581
31/03/2021	180.27	143.14	2.6304
30/09/2021	197.35	177.05	1.6157
Sterling Income			
31/03/2019	136.22	122.13	3.0495
31/03/2020	150.04	119.18	3.0274
31/03/2021	153.93	123.67	2.2714
30/09/2021	167.02	150.60	1.3665
X (Income)			
31/03/2019	139.41	124.72	3.1211
31/03/2020	154.66	122.89	3.1112
31/03/2021	159.44	127.52	2.3348
30/09/2021	173.54	156.20	1.3909

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

Statistics

(continued)

Net Asset Value History by Unit Class

Unit class as at	Net Asset Value (£)	Per unit (p)	Units in issue
Sterling Accumulation			
31/03/2019	8,270,953	150.84	5,483,142
31/03/2020	8,662,586	146.48	5,913,665
31/03/2021	10,818,760	177.89	6,081,654
30/09/2021	11,557,612	190.04	6,081,654
Sterling Income			
31/03/2019	6,899,539	133.20	5,179,924
31/03/2020	6,594,004	126.57	5,209,866
31/03/2021	15,333,543	151.32	10,133,095
30/09/2021	16,292,924	160.27	10,165,649
X (Income)			
31/03/2019	42,577,469	136.68	31,152,142
31/03/2020	36,110,775	130.50	27,670,993
31/03/2021	43,393,831	156.84	27,668,139
30/09/2021	46,063,354	166.60	27,648,851

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

Statistics

(continued)

Operating Charges

Unit class	30/09/2021*	31/03/2021
	%	%
Sterling Accumulation	0.72	0.72
Sterling Income	0.72	0.72
X (Income)	0.12	0.12

* The operating charges figure as at 30 September 2021 is an annualised figure.

The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Trustee, Custodian, Auditor and Regulator.

The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two.

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

Portfolio Statement (Unaudited)

as at 30 September 2021

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Bonds 9.52% (10.41%)			
UK Government Bonds 3.16% (3.41%)			
United Kingdom Gilt 3.75% 22/7/2052	GBP625,116	997,044	1.35
United Kingdom Gilt 4.25% 7/3/2036	GBP381,603	533,892	0.72
United Kingdom Gilt 6% 7/12/2028	GBP589,324	803,806	1.09
Overseas Government Bonds 2.74% (2.75%)			
New Zealand Government Inflation Linked Bond 3% 20/9/2030	NZD613,000	442,569	0.60
United States Treasury Bond 3% 15/5/2045	USD1,143,800	1,003,375	1.36
United States Treasury Inflation Indexed Bonds 0.75% 15/7/2028	USD626,200	579,087	0.78
Sterling Denominated Corporate Bonds 3.04% (3.25%)			
Coventry Building Society 6.875% Perpetual	GBP277,000	305,647	0.41
DWR Cymru Financing UK 6.015% 31/3/2028	GBP211,000	269,995	0.37
European Investment Bank 0.75% 15/11/2024	GBP284,000	285,190	0.39
Motability Operations 1.5% 20/1/2041	GBP120,000	107,706	0.15
National Express 4.25% Perpetual	GBP100,000	103,500	0.14
Orsted 4.875% 12/1/2032	GBP207,000	266,758	0.36
UNITE USAF II 3.374% 30/6/2028	GBP307,000	319,626	0.43
Virgin Media Vendor Financing Notes III DAC 4.875% 15/7/2028	GBP286,000	291,311	0.39
Vodafone 4.875% 3/10/2078	GBP275,000	296,175	0.40
Non-Sterling Denominated Corporate Bonds 0.58% (1.00%)			
Infineon Technologies 3.625% Perpetual	EUR300,000	284,606	0.38
Meituan 3.05% 28/10/2030	USD210,000	144,251	0.20
Collective Investment Schemes 7.05% (8.17%)			
Aquila European Renewables Income Fund	454,907	398,818	0.54
Greencoat UK Wind	648,909	842,284	1.14
Hipgnosis Songs Fund	801,114	974,155	1.32
International Public Partnerships	177,715	287,898	0.39
Invesco Physical Gold ETC	14,269	1,802,952	2.44
JLEN Environmental Assets	247,145	264,445	0.36
Renewables Infrastructure	518,768	640,160	0.86
Equities 74.82% (78.01%)			
United Kingdom 16.01% (12.68%)			
3i	36,854	472,100	0.64
AstraZeneca	11,026	987,489	1.34
Ferguson	13,713	1,417,239	1.92
GlaxoSmithKline	57,398	805,523	1.09
Home Reit	584,236	630,975	0.85
Informa	121,366	666,542	0.90
Linde	4,234	921,127	1.25
National Grid	48,843	432,065	0.58
Prudential	75,878	1,103,645	1.49
RELX	69,907	1,500,903	2.03
Schroder BSC Social Impact Trust	300,000	300,000	0.41
SDCL Energy Efficiency Income Trust	539,019	609,091	0.82
Travis Perkins	35,666	547,473	0.74
Unilever	26,137	1,046,787	1.42
VH Global Sustainable Energy Opportunities	301,655	303,465	0.41
Wickes	39,965	90,641	0.12
United States of America 30.17% (30.90%)			
Abbott Laboratories	16,680	1,461,100	1.98
Albemarle	5,224	848,215	1.15
Alphabet	1,445	2,862,769	3.87
Amazon.com	396	964,565	1.30
Apple	19,996	2,095,772	2.84
Applied Materials	13,694	1,306,889	1.77
Citigroup	23,621	1,229,094	1.66
CME	6,872	985,071	1.33

BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities
Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
United States of America (continued)			
CMS Energy	11,991	531,006	0.72
Ecolab	4,186	647,544	0.88
Eversource Energy	9,418	570,940	0.77
Goldman Sachs	1,369	383,586	0.52
Jackson Financial	1,896	36,476	0.05
Laureate Education	84,805	1,067,964	1.44
Mastercard	5,059	1,303,968	1.76
Microsoft	13,783	2,879,470	3.90
Otis Worldwide	21,905	1,336,703	1.81
Texas Instruments	6,424	915,421	1.24
Toll Brothers	21,321	874,440	1.18
Australia 0.31% (0.32%)			
Insurance Australia	85,767	226,065	0.31
China 1.26% (2.13%)			
Alibaba	40,996	555,393	0.75
Ping An Insurance of China	74,000	375,062	0.51
Denmark 0.52% (0.51%)			
Novozymes	7,632	387,458	0.52
France 2.36% (3.76%)			
Bureau Veritas	28,124	645,417	0.87
Legrand	10,525	838,780	1.14
Vivendi	27,475	257,523	0.35
Germany 4.00% (4.23%)			
Brenntag	15,052	1,042,236	1.41
Fresenius Medical Care	12,336	645,719	0.88
SAP	12,573	1,265,675	1.71
Hong Kong 1.99% (2.17%)			
AIA	171,400	1,468,014	1.99
India 0.46% (0.51%)			
HDFC Bank ADR	6,296	341,287	0.46
Ireland 7.03% (6.71%)			
Accenture	7,547	1,790,212	2.42
CRH	19,099	666,555	0.90
Greencoat Renewables	350,000	342,946	0.46
Medtronic	12,927	1,201,573	1.63
Smurfit Kappa	30,889	1,196,022	1.62
Japan 4.39% (4.90%)			
M3	9,100	483,363	0.65
Recruit	25,300	1,148,776	1.56
Sony	19,500	1,613,743	2.18
Netherlands 1.26% (1.16%)			
Universal Music	27,475	545,627	0.74
Wolters Kluwer	4,918	386,440	0.52
Norway 0.00% (0.60%)			
South Africa 0.00% (1.02%)			
South Korea 1.60% (1.61%)			
Samsung SDI GDR	10,531	1,184,039	1.60
Switzerland 2.30% (3.52%)			
Alcon	10,941	661,436	0.89
Roche	2,467	670,589	0.91
Zurich Insurance	1,221	372,280	0.50

BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities**Portfolio Statement (Unaudited)**

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Taiwan 1.16% (1.28%)			
Taiwan Semiconductor Manufacturing ADR	10,358	857,693	1.16
Derivatives 0.02% (0.03%)			
USD Forward Foreign Currency Contracts 0.02% (0.03%)			
Forward Foreign Currency Contracts to sell NZD(919,069) for USD650,036 13/10/2021		11,901	0.02
Portfolio of investments		67,563,132	91.41
Net current assets		6,350,758	8.59
Total Net Assets		73,913,890	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 31 March 2021.

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

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

Statement of Total Return

for the period ended 30 September 2021

		30/09/2021		30/09/2020
	£	£	£	£
Income				
Net capital gains		4,357,618		6,299,466
Revenue	675,684		551,723	
Expenses	(123,912)		(81,484)	
Interest payable and similar charges	(3)		(2)	
Net revenue before taxation	551,769		470,237	
Taxation	(42,873)		(37,143)	
Net revenue after taxation		508,896		433,094
Total return before distributions		4,866,514		6,732,560
Distributions		(621,406)		(501,064)
Change in net assets attributable to Unitholders from investment activities		4,245,108		6,231,496

Statement of Change in Net Assets Attributable to Unitholders

for the period ended 30 September 2021

		30/09/2021		30/09/2020
	£	£	£	£
Opening net assets attributable to Unitholders		69,546,134		51,367,365
Amounts receivable on issue of units	288,973		342,878	
Amounts payable on cancellation of units	(264,584)		(147,309)	
		24,389		195,569
Dilution adjustment		—		10
Change in net assets attributable to Unitholders from investment activities		4,245,108		6,231,496
Retained distributions on accumulation units		98,259		85,323
Closing net assets attributable to Unitholders		73,913,890		57,879,763

The IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to net assets at the start of the current period as these are not consecutive periods.

Balance Sheet

as at 30 September 2021

		30/09/2021		31/03/2021
	£	£	£	£
ASSETS				
Fixed assets				
Investment assets		67,563,132		67,198,814
Current assets				
Debtors	205,481		180,368	
Cash and bank balances	53,886		17,415	
Cash equivalents	6,362,445		2,404,955	
Total other assets		6,621,812		2,602,738
Total assets		74,184,944		69,801,552
LIABILITIES				
Investment liabilities		—		—
Creditors				
Distribution payable	(214,559)		(221,540)	
Other creditors	(56,495)		(33,878)	
Total other liabilities		(271,054)		(255,418)
Total liabilities		(271,054)		(255,418)
Net assets attributable to Unitholders		73,913,890		69,546,134

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

Distribution Statements

for the period ended 30 September 2021

Interim Dividend distribution in pence per unit

Period

1 July 2021 to 30 September 2021

	Amount Payable	Prior Period 30/09/2020
Sterling Accumulation	0.6658	0.6652
Sterling Income	0.5622	0.5720
X (Income)	0.5693	0.6160

Interim Dividend distribution in pence per unit

Period

1 April 2021 to 30 June 2021

	Amount Paid	Prior Period 30/06/2020
Sterling Accumulation	0.9499	0.7613
Sterling Income	0.8043	0.6578
X (Income)	0.8216	0.6534

	Franked (%)	Unfranked (%)
Interim distributions for 30 September 2021	100.00	0.00
Interim distributions for 30 June 2021	100.00	0.00

BNY Mellon Charities Funds - Interim Report & Accounts

Directors' Statement

Directors' Statement

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

C Judd

Director
BNY Mellon Fund Managers Limited

25 November 2021

G Brisk

Director
BNY Mellon Fund Managers Limited

25 November 2021

BNY Mellon Charities Funds - Interim Report & Accounts

Additional information

Pricing

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

Dilution adjustment

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

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

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

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

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

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

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

The net yield

The published yield of each Sub-fund is the Historic Yield and reflects distributions declared over the past twelve months as a percentage of the quoted unit price as at the date shown. It does not include any initial charge.

Equalisation

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

Charges

An initial charge of 0.00% of the issue price is receivable by the Manager for Sterling Accumulation and Sterling Income units and 'as agreed' for the X (Accumulation) and X (Income) Units.

An annual management charge of 0.60% for Sterling Accumulation and Sterling Income units and as agreed for the X (Accumulation) and X (Income) Units, is deducted in monthly instalments from the Sub-fund's revenue.

Any change to the management charge is subject to 60 days' written notice by the Manager. The Trust Deed also permits payment out of the Sub-funds for the Trustee's fee (plus VAT) together with other fees and expenses associated with the operation of the Sub-funds.

The Newton Growth and Income Fund for Charities & the Newton Sustainable Growth and Income Fund for Charities charges its Manager's periodic charge to the capital account of the Sub-funds, and investors should be aware that there is a potential for future capital erosion.

Buying and selling

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

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

The Price and yield of units

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

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

Trust status

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

Minimum investment

The minimum investment for new Unitholders in the Sterling Accumulation and Sterling Income units is £5,000. Additional units may be purchased with a minimum of £2,500. Investments in X (Accumulation) and X (Income) units is 'As agreed' with the manager. These limits may be waived at the Manger's discretion.

Dealing arrangements

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

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Additional information

(continued)

Dealing arrangements (continued)

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

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

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

Application forms and Prospectus

All stated documents can be requested by calling 0344 892 2715 or writing to BNY Mellon Fund Managers Limited at the address stated on page 32.

A word of warning

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

Value assessment and report

In July 2021, BNY Mellon Fund Managers Limited published a consolidated assessment of value report for the period ended March 2021, which included these Sub-funds. This report is available to view on www.bnymellonim.com. The report will be published annually.

Significant events

Effective 1 October 2021, the Performance Benchmark for the Newton Growth and Income Fund for Charities changed from 50% FTSE All-Share TR Index, 25% FTSE World ex UK TR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index and 5% LIBID GBP 7 Day to 50% FTSE All-Share TR Index, 25% FTSE World ex UK TR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index and 5% 7 Day Compounded SONIA.

Effective 1 October 2021, the Performance Benchmark for the Newton Sustainable Growth and Income Fund for Charities changed from 75% MSCI AC World NR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index and 5% LIBID GBP 7 Day to 75% MSCI AC World NR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index and 5% 7 Day Compounded SONIA.

Client classification notice

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

Securities financing transactions

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

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Glossary

Term	Definition
Credit spread(s)	The difference in yield between two bonds of similar maturity but different credit quality; for example if the 10-year Treasury (US government debt) is trading at a yield of 6% and a 10-year corporate bond is trading at a yield of 8%, the corporate bond is said to offer a 200-basis-point spread over the Treasury. Widening credit spreads indicate growing concern about the ability of borrowers to service their debt. Narrowing credit spreads indicate improving private creditworthiness. See also yield, basis points.
Default(s)	Default is the failure to pay interest or principal on a loan or security when due.
Equity/Equities	Shares issued by a company, representing an ownership interest.
Fiscal/fiscal policy	Government policy on taxation, spending and borrowing.
Geopolitics/Geopolitical	Geographic influences on power relationships in international relations.
Hawk(s)/hawkish	A hawk, also known as an inflation hawk, is a policymaker or advisor who is predominantly concerned with interest rates as they relate to fiscal policy. A hawk generally favors relatively high interest rates in order to keep inflation in check. In other words, hawks are less concerned with economic growth than they are with recessionary pressure brought to bear by high inflation rates.
Monetary stimulus	An attempt by a government to make the economy grow faster by increasing the money supply (the amount of money in the economy) or lowering interest rates.
Yield(s)	Income received from investments, either expressed as a percentage of the investment's current market value, or dividends received by the holder.

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Management and Professional Services

Manager and Registered Office

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

Client Enquiries:

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

Dealing:

Call free on 08085 440 000

Directors

G A Brisk
S Cox (appointed as director 21 September 2021)
AM Islam
C Judd (chairperson)
G Rehn
M Saluzzi

Trustee

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

(Authorised and regulated by the Financial Conduct Authority)

Manager

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

(Authorised and regulated by the Financial Conduct Authority)

Registrar and Administration

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

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

Auditors

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

Authorisation

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

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