BNY MELLON INVESTMENT FUNDS - NEWTON UK OPPORTUNITIES FUND

STANDARD & POOR'S

STANDARD & POOR'S AA FUND MANAGEMENT RATING

December 2011

Sub-fund of UK-authorised Oeic
Fund owner: BNY Mellon Fund Managers
Fund manager/adviser: Newton Investment Management Ltd
Named portfolio manager/adviser(s):
Ben Russon (since July 2005)
Peer group: UK Growth Mainstream

Location: Leeds
Launch date: January 2002
Fund size (September 2011): £419.81m
Contact group: +44 500 660 000 or www.bnymellonam.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com

Investment style

	Value	Blend	Growth
Large-cap			
Mid-cap			
Small-cap			

Performance statistics

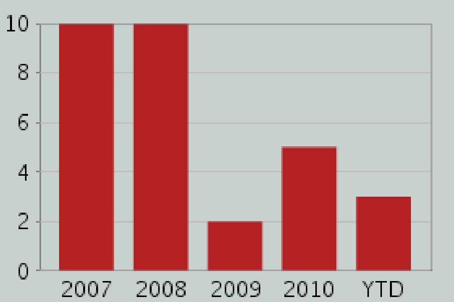
	Three years
Fund	20.3%
Standard & Poor's peer median	19.9%
Index**	22.8%
Fund rank	383/787

*** FTSE All-Share GBP! (The Industry Classification Benchmark is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use.)*
Note: returns are cumulative

Risk characteristics

	Three years
Maximum monthly drawdown (%)	-10.4
Volatility	14.8
Correlation	0.9
Beta	0.7

Calendar-year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine with tenth decile as rank one.

Performance Data Source - © 2011 Lipper inc. All rights reserved. All statistical data on this report has been run to 1 August 2011 on NAV to NAV basis, with gross income reinvested, in GBP.

Please see page three for required research analyst certification disclosure.

Standard & Poor's opinion (October 2011)

Since taking over this fund in July 2005, Ben Russon has outperformed his benchmark FTSE All-Share index and produced a top-quartile ranking against his competitors in the UK All Companies sector. The fund had a difficult quarter as Russon was too defensive in his positioning at the start of 2011. However, the subsequent market fall and sector rotation into the more defensive, stable growth companies has helped the fund rebound sharply since.

Russon manages the fund to reflect the UK team's highest-conviction ideas within the firm's top-down investment themes. Nearly all of the holdings come from the team's approved list of stocks, which are used by Russon and Richard Wilmot to form the model portfolio that guides all UK equity mandates.

Russon aims to outperform the FTSE All-Share index with below-average volatility; the latter is important. Portfolio construction is unconstrained, with little reference to index weights. Yet the fund's exposure to FTSE 100 stocks is often higher than for many competitor funds. Stock weights are broadly equal-weighted. But change is gradual.

The resources supporting Russon are substantial. He is one of seven UK fund managers split between London and Leeds, who in turn draw heavily on the research of the firm's 20 global sector analysts, three-strong strategy team, four credit analysts and four SRI specialists.

While we note the robust team support and the guidance provided by a disciplined thematic approach, we also note Russon's solid input and it is this strong combination of factors that supports the fund's continuing S&P AA rating.

Fund manager & team

Newton's UK equity team comprises seven fund managers split between London (Tineke Frikkee, Richard Wilmot, Paul Stephany and Uzo Ekwue) and Leeds (Simon Nichols, Ben Russon and Robert Shelton).

Russon and Wilmot are responsible for creating the UK model portfolio that acts as the guideline for all the UK mandates. The team draws heavily on the research of the 20 global sector analysts and input from the three-strong strategy team, four credit analysts and four SRI specialists.

Ben Russon - economics & geography (Edinburgh University), began his investment career in 1999 at Newton and is based in the firm's office in Leeds.

Richard Wilmot - investment leader UK equities - chemistry (Bristol University), ACA, joined Newton in 1999 as a UK smaller companies analyst before taking over the smaller companies fund in October 2001 and the all-cap Newton Growth fund in December 2005.

Management style

Despite this being a focused, all-cap fund based on the team's highest-conviction ideas, it is managed in relatively cautious manner to outperform the FTSE All-Share index with below-average volatility. Portfolio construction is unconstrained, but change is gradual.

Russon's approach follows the established Newton process in which a top-down thematic overlay provides the context for stock selection focusing on high-quality companies with strong management, sustainable cashflows and top-line growth. Further absolute valuation measures include ROCE and free cashflow yield.

Russon selects the analysts' highest-conviction ideas from the UK equity model and incorporates them into global themes developed in-house. He favours a long-term approach and pays particular attention to minimising downside risk.

New positions start at around 1.5% and build swiftly to 3% on conviction, producing a roughly equally weighted portfolio of 30-50 stocks. This, coupled with up to 20% invested overseas, often results in significant deviation from index weights.

Successes are run, but sales are disciplined and based on either fundamentals or a perceived significant increase in downside risk.

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Portfolio & performance analysis (September 2011)

As the market has fallen and become more volatile in 2011, causing it to rotate in favour of stable growth companies, so this fund's relative returns against both its peer group and the benchmark FTSE All-Share index have shown significant improvement.

That noted, disappointing relative returns over the second half of 2010 and the first quarter of 2011 have caused the three-year cumulative return to slip into the lower reaches of the second quartile, still above sector average but only by 40bps. The five-year figure is still top quartile and comfortably above sector median.

Portfolio turnover remains modest - under 30% - while the fund's annualised outperformance since launch relative to the FTSE All-Share index is an impressive 5.3% pa.

The fund currently has almost 9% of its assets in overseas listings, largely the Swiss healthcare group Roche Holdings as another core defensive position alongside GlaxoSmithKline and Smith & Nephew, and US media/telecom companies Sprint Nextel and Virgin Media.

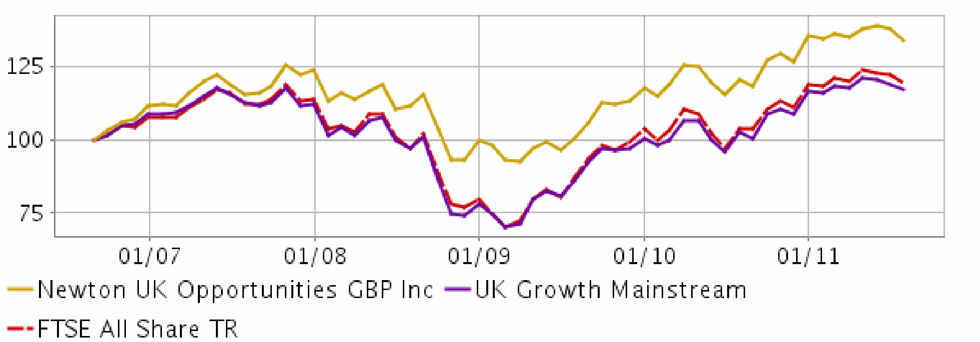
The key drivers of performance in 2010 were the likes of Wood Group, Premier Oil and BP in the oil & gas sector; the general retail sector, notably Carphone Warehouse; and banks HSBC and Barclays, but not Lloyds which detracted from relative returns. ICAP is held as a play on market volatility.

The biggest detractors were aerospace & defence companies Cobham and Ultra Electronics; telecom stocks Telenor and Cable & Wireless Worldwide; mining play Xstrata; and food retailer WM Morrison.

Returns year-to-date 2011 have been driven by Russon holding onto Morrisons and Xstrata and catching their rebound, staying with the position in Carphone Warehouse to gain further profits, and through telecom and media plays Sprint Nextel, Vodafone, BSkyB and Informa.

Over the summer period, the fund has made significantly more purchases than sales, with names such as Virgin Media, SABMiller, Compass and Prudential entering the portfolio, and Carnival and Syngenta leaving.

Cumulative performance



Calendar year performance

	2007		2008		2009		2010		YTD August 2011	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	11.0	39/670	-19.4	36/764	18.1	718/811	15.0	478/866	-1.1	677/934
Index**	5.3		-29.9		30.1		14.5		0.7	
Median	2.9		-30.4		28.6		15.6		0.1	

*** FTSE All-Share GBP! (The Industry Classification Benchmark is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use.)*
Fund benchmark: FTSE All-Share
Share class screened: GB0031189888 (Ord)

Portfolio characteristics (September 2011)

No. of holdings	37
% in top 10	39.4
Turnover ratio (%)	N/A

Top 10 holdings

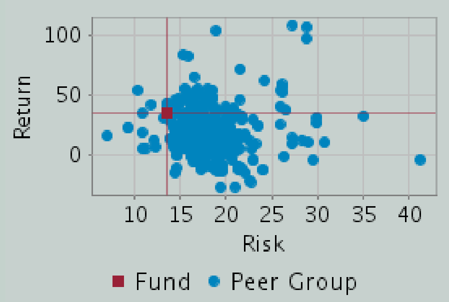
	%
BG Group	4.5
BAT	4.5
Royal Dutch Shell (A)	4.1
GlaxoSmithKline	4.0
BHP Billiton *	3.9
Bunzl *	3.8
Scottish & Southern Energy *	3.8
Associated British Foods	3.7
Unilever	3.6
Sage *	3.5

** In top 10 holdings a year ago*

Sector allocation

	%
Consumer goods	13.0
Consumer services	20.0
Financials	8.0
Healthcare	9.0
Industrials	15.0
Materials	6.0
Oil & gas	12.0
Technology	4.0
Telecommunication	4.0
Utilities	7.0
Cash	2.0

Risk return (standard deviation) over five years



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Symbols and Definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings
Absolute return fund ratings
Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.