BNY Mellon Absolute Return Equity Fund

BNY MELLON ASSET MANAGEMENT

STANDARD & POOR'S AA FUND MANAGEMENT RATING

NEW FUND LAUNCH

FUND PROFILE

Prepared for professional investors

Key fund information

Objective
The sub-fund aims to provide a positive absolute return in all market conditions.

Launch date	31 January 2011
Fund manager	Team approach
Base currency	GBP
Available currencies	GBP, USD, EUR
Domicile	Dublin

Share class information

GBP R (Acc) (Primary)	
Minimum initial	£5,000
Annual Management Fee	1.5%
Benchmark	1 month GBP LIBOR
Performance fee	15%

EUR R (hedged)	
Minimum initial	€5,000
Annual Management Fee	1.5%
Benchmark	1 month EURIBOR
Performance fee	15%

USD R (hedged)	
Minimum initial	$5,000
Annual Management Fee	1.5%
Benchmark	1 month USD LIBOR
Performance fee	15%

Registration is still pending in certain markets. Further share class information is included at the end of this document.

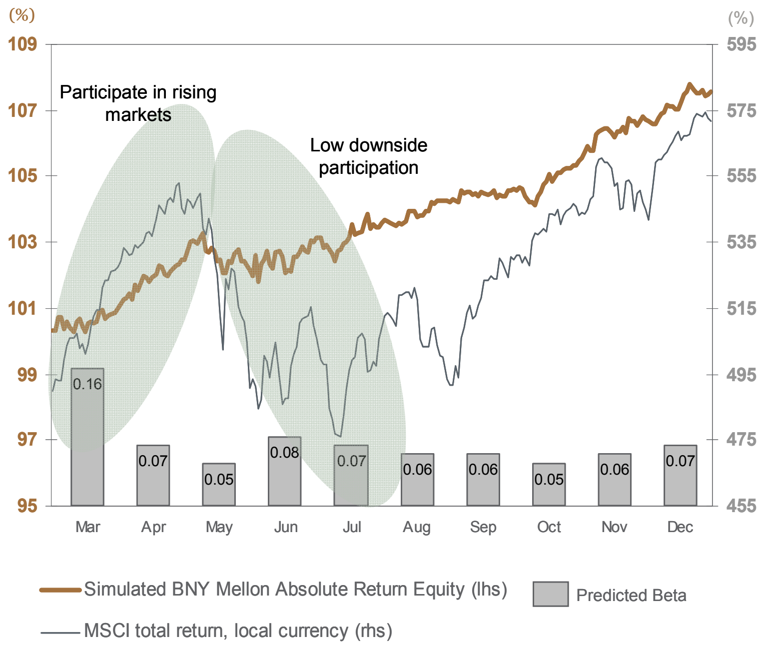
Managed by

Insight INVESTMENT

Following a prolonged period of heightened financial market volatility, many investors are recognising the value of specialist investment strategies that have the potential to combine positive returns in rising markets, with a capacity to cushion capital values when conditions deteriorate. By blending these characteristics investors may be able to achieve smoother long-term returns, without such sharp fluctuations in the value of their investments. Increasingly, investors are also seeing how such "absolute return" products can successfully complement existing approaches, such as passive investment strategies.

A proposal with pedigree

Running successful absolute return strategies requires both experience and specialist knowledge. With over five years' experience - incorporating a period of exceptional market turbulence - of managing equity-based absolute return strategies, the team at Insight Investment is well placed to take on the management of the new absolute return long/short equity fund. Furthermore, the results from applying the investment strategy to a "paper" portfolio since February 2010 are very encouraging too, as the following chart shows.



10 February 2010 – 31 December 2010	
Simulated return	**7.55%**

Returns for the Fund are shown gross of fees in GBP

Source: Insight Investment estimates based on paper trading results from 10 February 2010 to 31 December 2010. This simulated performance is not GIPS compliant and is provided as supplemental information only. Hypothetical or simulated performance results have certain inherent limitations. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Past performance is not a guide to future performance.

Fund highlights

- The Fund aims to deliver positive absolute returns in all market conditions, over a rolling 12-month period
- Daily liquidity and UCITS III compliant
- The investment process will be grounded in the paired-trade approach the team has applied within its market neutral strategy since May 2005, but with scope to take larger position sizes and active market direction risk
- This Fund relies on the skills and stock picking experience of the team and does not take a macro approach:
  - Where the managers target stock-specific return factors, lead ideas (long or short) will be paired with hedging positions to reduce sector/market direction risk
  - Where the managers target sector/market return factors in addition to stock-specific factors, lead ideas may be partially hedged, or unhedged
- Dynamic management of net and gross exposure
- The Fund invests in companies primarily in Europe (including the United Kingdom and countries which may be considered emerging markets within Europe)
- The Fund will be a sub-fund of the Dublin-domiciled, UCITS III authorised, BNY Mellon Global Funds, plc range.

Investment manager: Insight Investment

- Manages assets across a range of investment strategies, including absolute return, liability driven investment, fixed income and cash, multi-asset and specialist investments
- One of the UK's largest asset managers with assets under management of over £108.5 billion[1]
- One of BNY Mellon Asset Management's dedicated investment management specialists

[1] Source: Insight & Investment Management Association, as at 30 September 2010

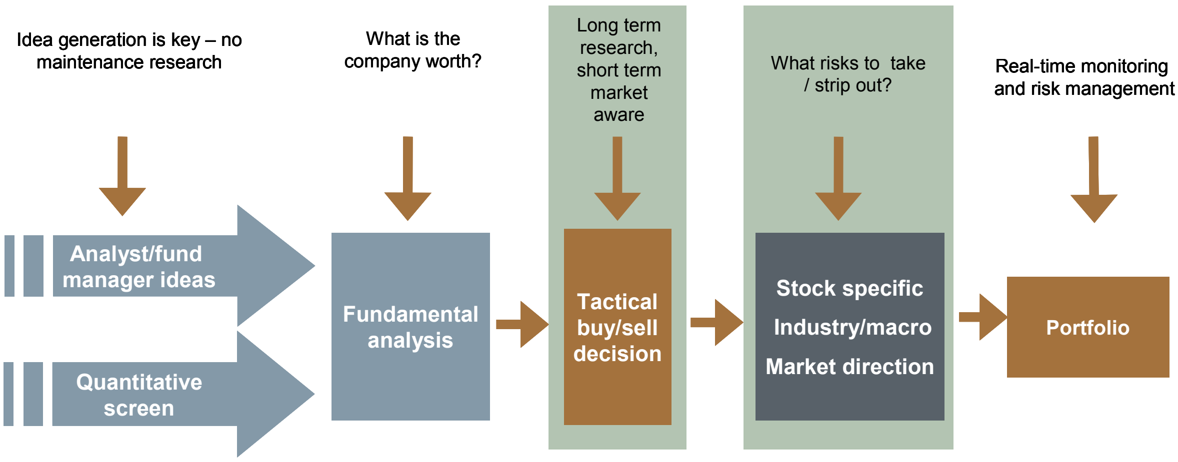
ABSOLUTE RETURN EQUITY INVESTMENT PROCESS

Investment Philosophy

The Fund's investment philosophy is founded on the belief that markets are not always efficient when pricing individual (or groups of) stocks relative to other parts of the market, or in an absolute sense. Through focused research conducted by a cohesive and highly skilled team of investment professionals, the Fund aims to identify pricing anomalies and profit from those opportunities through carefully constructed investment positions where risk is focused on the specific return drivers being targeted, while unwanted risks are hedged out.

Investment Process

Given its absolute return objective, the Fund will be benchmarked against cash (1 month GBP LIBOR). This removes any influence from a market index and allows the investment team to focus its research only on opportunities which appear to offer meaningful performance potential, thereby maximising the impact of the team's skill. Lead investment ideas are a result of fundamental analysis which reveals a potential pricing anomaly. The investment team thinks very carefully about the timing of trades, and will typically look for a performance catalyst within a three-to six-month time horizon. The secondary (or hedging) component is selected to focus risk of the paired trade on the specific return drivers targeted by the investment team, while reducing unwanted risks. Where the managers target market / sector direction return factors, in addition to stock specific factors, lead ideas may be partially hedged or unhedged. The managers will employ a stop-loss discipline on each investment position to contain downside risk and drawdowns at the Fund level.



Performance focus at all stages

The Fund's investment parameters provide the flexibility to capture returns from stock selection, market and sector exposure. While extreme market dislocations may present opportunities to fully utilise these wide bounds, we set out below the fund's exposures as at end November to illustrate current positioning:

Market & risk exposure	Limits (% NAV) [1]	limits (% NAV)	Simulated positions (% NAV) [2]
Gross equity exposure	200	75 to 150	144.93
Net equity exposure	-25 to +75	-25 to +75	11.63
Gross stock positions	-/+10	-/+10	4.28
Net sector positions	-/+20	-/+20	7.08
Value at Risk (99%, 5day,% of fund NAV)	**Limit**		**Simulated**
VaR (99%, 5day)	10		1.60
Beta (ex ante)	**Limit**	**Expected**	**Simulated**
Portfolio beta (ex ante) [2]	-0.25 to +0.75	-0.10 to +0.30	-0.07

Source: Insight.
[1] Limits are those specified in the prospectus or internal where appropriate
[2] 10 February 2010 to 31 December 2010. This simulated performance is not GIPS compliant and is provided as supplemental information only. Hypothetical or simulated performance results have certain inherent limitations. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Past performance is not a guide to future performance.
[2] Source: Style research software

For further information on the Fund, please visit **www.bnymellonam.com** or contact us: **Telephone** +44 (0)20 7163 2367 **Email** internationalsales@bnymellon.com

BNY Mellon Absolute Return Equity Fund – available share classes

Share Class	Currency	Initial Sales Charge	Deferred Sales Charge	Minimum Initial Investment	Annual Management Fee	Redemption Fee	Performance Fee	Benchmark	Sedol	ISIN
RETAIL 1.5%										
Euro R (hedged)	Euro	Up to 5%	None	Euro 5,000	1.5%	None	15%	1 month EURIBOR	B3T5WH7	IE00B3T5WH77
USD R (hedged)	USD	Up to 5%	None	US$ 5,000	1.5%	None	15%	1 month USD LIBOR	B443FG3	IE00B443FG34
Sterling R (Acc.)	GBP	Up to 5%	None	GBP£ 5,000	1.5%	None	15%	1 month GBP LIBOR	B3SFH73	IE00B3SFH735
INSTITUTIONAL (unhedged) 1%										
Euro S	Euro	Up to 5%	None	Euro 500,000	1%	None	15%	1 month EURIBOR	B45SYK4	IE00B45SYK44
USD S	USD	Up to 5%	None	US$ 500,000	1%	None	15%	1 month USD LIBOR	B3SPXJ7	IE00B3SPXJ71
Sterling S (Acc.)	GBP	Up to 5%	None	GBP£ 500,000	1%	None	15%	1 month GBP LIBOR	B3RZQQ6	IE00B3RZQQ62
INSTITUTIONAL (hedged) 1%										
Euro T (hedged)	Euro	Up to 5%	None	Euro 500,000	1%	None	15%	1 month EURIBOR	B3TH3V4	IE00B3TH3V40
USD T (hedged)	USD	Up to 5%	None	US$ 500,000	1%	None	15%	1 month USD LIBOR	B3TCCK1	IE00B3TCCK10

Further share class information is available on request. The Fund may not be registered in all markets.