

Annual Report & Accounts

BNY Mellon Charities Funds

31 March 2023

BNY Mellon Charities Funds - Annual Report & Accounts

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Introduction

This is the annual report for BNY Mellon Charities Funds for the year ended 31 March 2023.

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 constitutes, for the purposes of the Alternative Investment Fund Managers Directive, an Alternative Investment Fund.

Value assessment and report

In July 2023, BNY Mellon Fund Managers Limited published a consolidated assessment of value report which included these Sub-funds for the period ending March 2023. This report is available to view on www.bnymellonim.com.

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Notes applicable to the financial statements of all Sub-funds

for the year ended 31 March 2023

1 Accounting policies

(a) Basis of preparation

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).

There are no material events that have been identified that may cast significant doubt about the ability of each Sub-fund to continue as a going concern for a period of 12 months from when these financial statements are authorised for issue. The Manager believes that the Sub-funds have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. The Manager has made an assessment of the Sub-funds ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, investor intention, known redemption levels, expense projections and key service provider's operational resilience.

(b) Valuation of investments

The listed investments of the Sub-funds have been valued at bid market prices at close of business on the last business day of the accounting year.

Investments in Collective Investment Schemes (CIS) managed by the ACD have been valued at the cancellation price for dual priced funds and at the single price for single priced funds as at close of business on 31 March 2023. Investments in other Collective Investment Schemes are valued at the bid price for dual priced funds and at the single price for single priced funds.

In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee, and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset or liability if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

(c) Foreign exchange

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates applicable at the close of business on the last business day of the accounting year.

(d) Revenue

Dividends on equities and UK REITs are recognised when the security is quoted ex-dividend.

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

Distributions from CIS are recognised as revenue when the units are quoted ex-distribution.

Bank interest is accounted for on an accruals basis.

(e) Special dividends

Special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature, from review of the underlying circumstances and motive for the payment.

(f) Expenses

All expenses are recognised on an accruals basis.

(g) Taxation

Corporation tax is charged at 20% of the income liable to corporation tax less expense. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double tax relief.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the Manager considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted. The charge for taxation is based on taxable income for the year less allowable expenses.

In general, the tax accounting treatment follows that of the principal amount.

(h) Over the counter derivatives

The Sub-funds may invest in over the counter (OTC) derivatives and the market value of these are based on models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. Amounts due to and from an individual counterparty which fall under a legally enforceable International Swaps and Derivatives Association (ISDA) Master Agreement are netted.

All realised and unrealised gains and losses on derivatives are taken to the Statement of Total Return and are included in the net capital gains/(losses) on investments.

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Notes applicable to the financial statements of all Sub-funds

(continued)

2 Distribution policies

(a) Basis of distribution

The Sub-funds are not more than 60% invested in qualifying investments (as defined by s468L ICTA 1988) and will pay a dividend distribution. If, at the end of the period, revenue exceeds expenses, revenue will be distributed to Unitholders.

(b) Stock dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and forms part of the distribution. Any excess in value of shares received over the amount of cash forgone is taken to capital.

(c) Collective Investment Schemes

All distributions received from holdings in collective investment schemes, including those from accumulation holdings, are treated as revenue and form part of the distribution of the Sub-funds with the exception of the equalisation element, which is treated as capital.

(d) Special dividends

Amounts recognised as revenue will form part of the Sub-funds' distributions.

(e) Expenses

The Manager's periodic charge, and all other expenses, are charged to capital for distribution calculation purposes.

3 Related party transactions

Manager's periodic charge, administration fees, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8 of the individual Sub-funds. The balance due to the Manager as at 31 March 2023 is disclosed in the individual Sub-funds.

Details of material Unitholders are disclosed in Note 13 of the individual Sub-funds.

4 Financial instruments

The main risks arising from the Sub-funds' financial instruments and the Investment Manager policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Sub-funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-funds hold. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements. The Sub-funds' investment portfolios are exposed to market price fluctuations that are monitored by the Investment Manager in pursuance of the investment objectives and policies as set out in the Prospectus.

Interest rate risk

Interest rate risk is the risk that the value of the Sub-funds' investments and bank deposits will fluctuate as a result of changes in interest rates.

The Sub-funds invest in fixed interest securities from time to time. The value of fixed interest securities may be affected by the interest rate movements, the expectation of such movement in the future or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities.

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-funds' investments will fluctuate as a result of changes in foreign currency exchange.

The Sub-funds invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

Counterparty risk

Certain transactions in securities that the Sub-funds enter into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-funds only buy and sell investments through brokers that have been approved by the Investment Manager as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Credit risk

Corporate bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Investment Manager selects bonds taking into account the credit rating.

Leverage

Leverage is any method by which the Sub-funds' exposure is increased beyond its holding of securities and cash. Where consistent with its investment objectives and policy, the Sub-funds may utilise, directly or indirectly (for example through investment in another Sub-fund) a variety of exchange traded and over-the-counter ("OTC") derivative instruments as part of its investment policy or for hedging purposes.

The use of derivatives may expose the Sub-funds to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying corporate or government fixed coupon securities or equities. Leveraged derivative positions can therefore increase a Sub-fund's volatility.

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Notes applicable to the financial statements of all Sub-funds

(continued)

4 Financial instruments (continued)

Leverage (continued)

Leverage on a gross exposure basis is calculated by taking the sum of the absolute notional values of the derivatives used by the Sub-funds, without netting, the value of direct investments less cash plus borrowings and leverage from the reinvestment of collateral and is expressed as a ratio of the Sub-fund's net asset value.

Leverage on a commitment basis is calculated by taking the sum of the net market value of the derivatives (after netting/hedging) and direct investments as permitted plus borrowings and leverage from the reinvestment of collateral and expressing it as a ratio of the Sub-fund's net asset value.

Disclosed in the table below is the level of leverage employed by the Sub-funds.

	Gross Exposure as at 31/03/2023 %	Commitment Exposure as at 31/03/2023 %	Gross Exposure as at 31/03/2022 %	Commitment Exposure as at 31/03/2022 %
Newton Growth and Income Fund for Charities	0.95	1.00	0.92	1.00
Newton Sustainable Growth and Income Fund for Charities	0.96	1.01	0.94	1.01

Liquidity risk

The risk of low market liquidity, through reduced trading volumes, affecting the ability of the Sub-funds to trade financial instruments at values previously indicated by financial brokers.

The Sub-funds invest primarily in companies incorporated in the major markets of the world, which are typically considered to be operations with high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

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

All stocks are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal monthly basis by the BNY Mellon Pricing Committee.

The Investment Manager monitors the liquidity profile of the Sub-funds on a monthly basis to ensure a high degree of confidence that the Sub-funds' liquidity will meet the expected liquidity requirements. Where a risk is identified, a more in depth review is undertaken to establish its significance and this is analysed by the Risk Management Team and discussed at the Investment Management Oversight Committee. Based on this analysis, the Investment Manager believes the liquidity profile of the Sub-funds are appropriate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their carrying value.

5 Holdings in other Sub-funds of the Trust

As at 31 March 2023, the Sub-funds did not hold units in any other Sub-fund of the Trust.

BNY Mellon Charities Funds

Newton Growth and Income Fund for Charities

Annual Report

for the year ended 31 March 2023

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

Performance and Fund Report

for the year ended 31 March 2023

General Information

Investment Adviser:	Newton Investment Management
Fund Size:	£722.34m
Comparative Index:	50% FTSE All-Share TR Index/ 25% FTSE World ex UK TR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded
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 To	31/03/2022 31/03/2023	31/03/2021 31/03/2022	31/03/2020 31/03/2021
Sterling Accumulation	0.47%	12.66%	23.83%
Sterling Income	0.51%	12.66%	23.83%
Sterling Income 2^	n/a	n/a	n/a
X (Accumulation)	0.94%	13.27%	24.49%
X (Income)	0.94%	13.27%	24.49%
50% FTSE All-Share TR Index/ 25% FTSE World ex UK TR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded*	-1.98%	9.02%	21.76%

^Full 3 year performance data is not available. For unit class launch and closure dates, please refer to the Statistics section on pages 12 to 14.

*Effective 1 October 2021, the benchmark changed from the London Interbank Bid Rate (LIBID) to the Sterling Overnight Index Average (SONIA). All benchmark past performance prior to this date was calculated against LIBID.

Source: Lipper as at 31 March 2023 Total return, including gross income reinvested, net of annual charges and excluding initial charge. All figures are in GBP 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.

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

Performance and Fund Report

(continued)

Fund Report

Attribution

This was a particularly challenging period for financial markets. Worries around a shift in global monetary policy weighed on equities into the second quarter of 2022, with stretched valuations a cause for concern in the face of hawkish central banks. Renewed Covid-19-related lockdowns in China also weighed on investor sentiment given the implications for economic growth and supply chains.

After a promising start marked by a strong equity-market rally in July, the third quarter of 2022 proved to be very volatile with sharp, broad-based declines seen in all major asset classes. Investor hopes of a 'pivot' by the US Federal Reserve (Fed) on the interest-rate trajectory were dashed early in the quarter as it became increasingly clear that the central bank's priority was to quash inflation rather than support the economy and financial asset prices. Such rhetoric was reinforced with interest-rate hikes by the Fed, the European Central Bank and the Bank of England, leading markets to quickly price in a more aggressive path of future rate hikes. Central-bank hawkishness was coupled with major disruptions to Europe's energy supply, a knock-on effect of the Ukraine-Russia conflict, and led to increasing concerns about the likelihood of recession. Later in September, the sell-off developed into something akin to a liquidity crisis affecting major asset classes, all of which fell in tandem. Finally, there was serious turbulence in the UK gilt market that stemmed from the UK's mini-budget.

During the final quarter of 2022, equities recovered some of the ground lost earlier in the year. The outlook for inflation, and the trajectory of monetary policy, continued to dominate the narrative within financial markets. In early October, evidence of decelerating price growth in the US ISM (Institute for Supply Management) Manufacturing report raised hopes that inflation had peaked, provided a boost for risk assets. Further positive momentum was injected a month later, when it was the turn of US consumer price inflation to come in lower than expected, a development that also drove government bond yields lower. However, in spite of this encouraging news flow, central bankers steadfastly maintained a hawkish tone, both in terms of their rhetoric and their actions. At the end of the quarter, even the Bank of Japan, hitherto an outlier in the process of monetary tightening, surprised investors by moderating its policy of yield-curve control as it raised the cap on the country's long-term interest rates. These developments contributed to the broader trend of profit-taking into year end, both in equities and government bonds.

At the start of 2023 share prices were lifted by positive sentiment around China's reopening after the swift abandonment of its zero-Covid policy. However, as the quarter progressed, several issues came to the fore which took their toll on sentiment. January's US inflation prints came in ahead of expectations, while headline employment data was also very robust. This prompted the Fed to maintain its hawkish rhetoric, which coupled with a re-escalation of US-China tensions, put pressure on risk assets. The other major challenge arose in early March, as signs of stress emerged within the US banking sector. This was followed, shortly after, by the enforced takeover of Credit Suisse by UBS under the auspices of the Swiss authorities.

Against this backdrop, the Sub-fund produced a small positive return over the reporting period +0.51%* - Newton Growth and Income Fund for Charities Sterling Income Unit Class), and outperformed its performance benchmark (-1.98%**). The Sub-fund's positioning in bonds contributed significantly to its relative outperformance as its lower exposure to bonds and sensitivity to interest rates was positive in the rising interest-rate environment. The Sub-fund's equity positioning was also positive, particularly in the US industrials sector where holdings recovered and benefited from the strong US dollar.

Within the industrials sector, the holding in electrical manufacturer Hubbell performed well on good results. Strength in grid modernisation and electrification activity in US markets remain intact, despite the more uncertain economic outlook. In our opinion, these key long-term secular drivers should continue to be a benefit to Hubbell's future business. US heating, ventilation and air conditioning manufacturer Trane Technologies also reported good results and continues to see strength in its underlying markets as consumers and businesses seek energy-efficiency measures. Lower commodity prices also improved sentiment around risks to margins. A further contribution came from the UK's BAE Systems, which performed well as defence spending moved up the agenda of governments around the world. Increasing allocations to defence budgets is likely to be a tailwind for the sector over the medium term.

It was a mixed picture with the consumer sectors, but positive overall. Information services companies Wolters Kluwer and RELX performed well as the resiliency of their earnings streams proved attractive in a more uncertain environment. Zero weightings in contract food service company Compass and gambling group Flutter offset some of the gains.

It was a similarly mixed picture within health care. Sanofi received a boost following victory in a legal case relating to Zantac, its heartburn medication. In addition, the company announced positive data on its drug Dupixent for the treatment of chronic lung diseases. Expectations had been low, leaving scope for material upside to consensus forecasts. The weakness of pharmaceutical GSK since the Sub-fund sold it, was a further positive. Weighing against this was Medtronic which was weak as supply-chain issues led to weaker growth and the strong US dollar affected reported results. We believe the company is well placed to grow following the resolution of its short-term issues and as its pipeline of new products comes to market. The valuation appeared attractive in our view. The holding in Roche was also weak as the trial data for its Alzheimer's drug failed to meet clinical significance. While this is disappointing news and removes one source of growth for the company, we believe it has a defensive business with a strong pipeline of other drugs.

Elsewhere, SAP performed well as technology stocks found favour and the sale of one of its investments was taken positively by investors. Advantaged by certain aspects of the US Inflation Reduction Act, relative to Chinese peers, South Korean battery maker Samsung SDI performed well.

Weighing on returns was the zero weighting in BP and underweight in Shell, after the energy majors revealed the highest annual earnings in their 100+ year histories. Miner Anglo American was underperformed as sentiment around economic growth became more discouraging, and higher capital expenditure required at a new facility was also taken negatively. Direct Line Insurance was weak as the company was negatively affected by rising claims inflation leading to weak underwriting results. We removed the stock from the portfolio.

Activity

We added to holdings in the health-care sector by buying new positions in Sanofi and Eli Lilly & Co. Sanofi appeared to offer the portfolio relatively defensive exposure from a valuation and yield perspective. The company's drug pipeline should ensure reasonable growth to the end of the decade, which we believe is attractive in the current environment. Eli Lilly's & Co pipeline includes a new therapy for diabetes which may also be suitable for the obesity market, where demand is strong. While the valuation appeared full on near-term metrics, we believe that the

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

Performance and Fund Report

(continued)

optionality of increased sales growth is significant given the potential of the company's pipeline. We initiated a position in Switzerland's Lonza following a period of lacklustre performance amid the market rotation away from growth stocks. As a drug contract development and manufacturing organisation providing services to biotechnology and pharmaceutical companies, Lonza stands to benefit from growing demand for next-generation biological drugs. We also added a new position in Danaher, which has built leading franchises across the life-sciences and diagnostics sectors. A separation of its environmental business later this year should allow investors to focus on the higher-growth segments of the business. We believe that Danaher should benefit from continued innovation in the life-sciences industry. We sold the holding in GSK following strong performance, as we believed the valuation of the consumer business was increasingly reflected in the share price. The remaining business includes a vaccine franchise and a pharmaceuticals business with the likelihood of increased competition from generic competitors as patents expire towards the end of the decade. With an uncertain pipeline of products, we decided to exit the position. We also sold the holding in Abbott Laboratories where Covid-related revenues are falling and some issues in the nutrition business have held back growth. Our analysis suggests other areas of the health-care sector may have better long-term growth dynamics.

In the industrials sector, we sold the holding in Legrand, as European economic growth appears more challenged given rising interest rates and energy costs. We also sold the holding in Travis Perkins, as interest-rate increases are likely to slow the pace of construction in the UK market with a negative effect on volumes for Travis Perkins's merchant business. This, combined with inflation in the cost base, could lead to lower future profitability. We added a new position in US-based company Hubbell which designs, manufactures and sells electrical and electronic products for construction, industrial and utility applications. Holding the stock provides exposure to US utility capital expenditure where we believe growth will be driven by increased electrification of the economy, an area of interest from a thematic perspective. We also bought a new position in Fanuc, a Japanese-based company mainly engaged in the provision of factory automation machinery and robotics. We believe several factors should be positive for Fanuc in the mid-to-long term such as tight labour markets, higher wage costs, a growing penetration of automation in factories and the trend of onshoring of production capacity by developed economies.

Within the technology sector, we added a new position in Nvidia, a global leader in the design of graphics-processing units (GPUs) and artificial-intelligence platforms. We believe that artificial intelligence has significant potential to be adopted across a wide range of industries, to accelerate innovation and generate productivity savings. We believe Nvidia is likely to be a key enabler of this next wave of technology development. We also bought a new position in TE Connectivity, which designs and manufactures connectors and sensors, following some weakness in the share price due to foreign-currency headwinds and inventory destocking. We believe there is scope for margin improvement as prices are increased and inventory is optimised. While there remains an element of cyclicality, we believe that the business has exposure to attractive areas in the longer term. We sold the holding in Sage; the stock has performed well relative to global technology stocks and growth expectations have now recovered as its business transition nears completion. We believed the valuation more fully reflected the transition and better outlook while some cyclical risk remains around exposure to small and medium-sized companies in a slowing economy.

Elsewhere, we initiated a position in UK electricity network company SSE, as it is well positioned to benefit from the decarbonisation of power markets through its renewable-energy arm, as well as its transition-enabling networks business. We believe both segments will enjoy strong demand as the UK and global economies move towards zero-carbon electricity generation. We decided to sell insurer Aviva. New management has now largely restructured the company, making a number of disposals and returning significant sums to shareholders. Following this restructuring we saw better opportunities elsewhere. We also sold the holding in Vodafone; the company has high levels of leverage which we viewed as negative in the rising interest-rate environment. Expectations for profit growth are also subdued making it difficult for the company to grow out of its debt burden.

Within fixed interest, following significant strength, we reduced exposure to the US dollar with sales of 2026 and 2030 US government bonds. We added to UK gilts given the significant sell-off in UK yields and sterling. Real yields have increased significantly over the year and these bonds offered a positive real yield for a low-risk asset in an uncertain economic environment.

Outlook

While inflation remains elevated, tighter monetary policy is beginning to test the fragility of the financial system. As the economy adjusts to the effects of higher bond yields, potential exists for increased pressure to be placed on liquidity and credit availability within the economy. Volatility is therefore likely to be a feature of markets over the short term, as we work through the consequences of the higher-yield environment. We will continue to place our focus on those companies which we believe have more resilient earnings profiles and attractive end-market outlooks. Over the longer term, we will seek to benefit from the opportunities and avoid the challenges identified by our multidimensional research process, as the ongoing tectonic shifts in technology, health care, energy and geopolitics, among other areas, continue to shape the world around us.

*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% SONIA 7-Day Compounded

If you would like help understanding the definition of certain terms, please refer to our online Glossary – www.bnymellonim.com/glossary.

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

BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities**Performance and Fund Report**

(continued)

Purchases	Sales
United Kingdom Gilt 2.25% 7/9/2023	GSK
United Kingdom Gilt 0.5% 31/1/2029	Abbott Laboratories
United Kingdom Gilt 2.75% 7/9/2024	United Kingdom Gilt 1.75% 7/9/2022
United Kingdom Gilt 3.5% 22/1/2045	United States Treasury Bond 1.5% 15/8/2026
Sanofi	United States Treasury Bond 1.5% 15/2/2030
Danaher	Legrand
SSE	AVIVA
Direct Line Insurance	Vodafone
United States Treasury Bond 1.125% 15/1/2025	Sage
Hubbell	Direct Line Insurance

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

Statistics

for the year ended 31 March 2023

Comparative Tables

	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
Sterling Accumulation			
Change in net assets per unit			
Opening net asset value per unit	199.26	177.91	143.99
Return before operating charges*	4.66	22.57	34.95
Operating charges	(1.23)	(1.22)	(1.03)
Return after operating charges	3.43	21.35	33.92
Distributions	(4.61)	(4.32)	(3.34)
Retained distributions on accumulation units	4.61	4.32	3.34
Closing net asset value per unit	202.69	199.26	177.91
* after direct transaction costs of:	(0.03)	(0.02)	(0.04)
Performance			
Return after charges	1.72%	12.00%	23.56%
Other information			
Closing net asset value (£)	41,932,782	31,124,161	24,193,111
Closing number of units	20,688,012	15,620,238	13,598,649
Operating charges**	0.63%	0.63%	0.63%
Direct transaction costs*	0.01%	0.01%	0.02%
Prices			
Highest unit price	205.17	206.68	179.75
Lowest unit price	182.57	178.46	140.39
	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
Sterling Income			
Change in net assets per unit			
Opening net asset value per unit	162.21	148.08	122.29
Return before operating charges*	3.65	18.70	29.48
Operating charges	(0.99)	(1.01)	(0.87)
Return after operating charges	2.66	17.69	28.61
Distributions	(3.72)	(3.56)	(2.82)
Retained distributions on accumulation units	—	—	—
Closing net asset value per unit	161.15	162.21	148.08
* after direct transaction costs of:	(0.02)	(0.02)	(0.03)
Performance			
Return after charges	1.64%	11.95%	23.40%
Other information			
Closing net asset value (£)	295,280,512	337,840,140	380,409,922
Closing number of units	183,230,529	208,271,960	256,887,874
Operating charges**	0.63%	0.63%	0.63%
Direct transaction costs*	0.01%	0.01%	0.02%
Prices			
Highest unit price	164.13	169.66	150.26
Lowest unit price	146.56	148.54	119.22

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

**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, Depositary, 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 Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

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

Statistics

(continued)

Comparative Tables (continued)

Sterling Income 2		31/03/2023***	
		(pence)	
Change in net assets per unit			
Opening net asset value per unit		100.00	
Return before operating charges*		2.24	
Operating charges		(0.02)	
Return after operating charges		2.22	
Distributions		(0.64)	
Retained distributions on accumulation units		—	
Closing net asset value per unit		101.58	
* after direct transaction costs of:		0.00	
Performance			
Return after charges		2.22%	
Other information			
Closing net asset value (£)		13,910,485	
Closing number of units		13,693,648	
Operating charges**		0.53%	
Direct transaction costs*		0.01%	
Prices			
Highest unit price		101.89	
Lowest unit price		99.38	

	31/03/2023	31/03/2022	31/03/2021
X (Accumulation)	(pence)	(pence)	(pence)
Change in net assets per unit			
Opening net asset value per unit	151.55	134.58	108.35
Return before operating charges*	3.37	17.01	26.27
Operating charges	(0.04)	(0.04)	(0.04)
Return after operating charges	3.33	16.97	26.23
Distributions	(3.51)	(3.28)	(2.52)
Retained distributions on accumulation units	3.51	3.28	2.52
Closing net asset value per unit	154.88	151.55	134.58
* after direct transaction costs of:	(0.02)	(0.02)	(0.03)
Performance			
Return after charges	2.20%	12.61%	24.21%
Other information			
Closing net asset value (£)	194,250,394	169,575,674	153,808,058
Closing number of units	125,423,566	111,893,241	114,284,440
Operating charges**	0.03%	0.03%	0.03%
Direct transaction costs*	0.01%	0.01%	0.02%
Prices			
Highest unit price	156.69	156.99	135.81
Lowest unit price	139.22	135.00	105.64

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

**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, Depositary, 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 Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

***Unit class launched on 17 March 2023.

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

Statistics

(continued)

Comparative Tables (continued)

	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
X (Income)			
Change in net assets per unit			
Opening net asset value per unit	168.66	153.15	125.80
Return before operating charges*	3.54	19.26	30.30
Operating charges	(0.05)	(0.05)	(0.04)
Return after operating charges	3.49	19.21	30.26
Distributions	(3.87)	(3.70)	(2.91)
Retained distributions on accumulation units	—	—	—
Closing net asset value per unit	168.28	168.66	153.15
* after direct transaction costs of:	(0.02)	(0.02)	(0.03)
Performance			
Return after charges	2.07%	12.54%	24.05%
Other information			
Closing net asset value (£)	176,961,267	194,329,223	221,648,866
Closing number of units	105,159,913	115,216,786	144,723,902
Operating charges**	0.03%	0.03%	0.03%
Direct transaction costs*	0.01%	0.01%	0.02%
Prices			
Highest unit price	171.33	176.20	155.22
Lowest unit price	152.77	153.63	122.64

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

**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, Depositary, 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 Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

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

Portfolio Statement (Unaudited)

as at 31 March 2023

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Bonds 17.18% (12.94%)			
United Kingdom Government Bonds 14.96% (9.98%)			
United Kingdom Gilt 0.5% 31/1/2029	GBP16,551,000	13,908,716	1.92
United Kingdom Gilt 2.25% 7/9/2023	GBP14,397,617	14,271,278	1.98
United Kingdom Gilt 2.75% 7/9/2024	GBP18,185,000	17,874,855	2.47
United Kingdom Gilt 3.5% 22/1/2045	GBP11,470,000	10,807,894	1.50
United Kingdom Gilt 4.25% 7/12/2027	GBP10,637,000	11,013,071	1.52
United Kingdom Gilt 4.25% 7/3/2036	GBP16,891,000	17,910,794	2.48
United Kingdom Gilt 4.25% 7/9/2039	GBP13,603,000	14,290,972	1.98
United Kingdom Inflation-Linked Gilt 2% 26/1/2035	GBP3,162,000	8,024,761	1.11
Overseas Government Bonds 1.91% (2.65%)			
United States Treasury Bond 1.125% 15/1/2025	USD9,246,500	7,083,903	0.98
United States Treasury Bond 2.875% 15/5/2043	USD9,596,300	6,692,797	0.93
Sterling Denominated Corporate Bonds 0.31% (0.31%)			
Next 4.375% 2/10/2026	GBP2,273,000	2,206,555	0.31
Collective Investment Schemes 1.08% (1.24%)			
BNY Mellon Sustainable Sterling Bond Fund†	8,824,572	7,768,270	1.08
Equities 78.83% (80.04%)			
United Kingdom 33.45% (38.96%)			
Admiral	326,005	6,643,982	0.92
Anglo American	442,317	11,845,249	1.64
Ashtead	129,392	6,411,374	0.89
AstraZeneca	200,921	22,567,447	3.12
BAE Systems	1,665,891	16,369,045	2.27
Barclays	5,873,878	8,564,114	1.18
Diageo	689,851	24,927,766	3.45
Ferguson	98,186	10,456,809	1.45
Informa	941,147	6,518,384	0.90
Lloyds Banking	25,210,199	12,018,962	1.66
National Grid	1,284,570	14,078,887	1.95
Prudential	988,036	10,888,157	1.51
Reckitt Benckiser	146,558	9,025,042	1.25
RELX	844,623	22,103,784	3.06
Rentokil Initial	238,322	1,409,436	0.19
Shell	744,353	17,179,667	2.38
Smith & Nephew	667,647	7,490,999	1.04
SSE	551,474	9,943,076	1.38
St James's Place	578,834	7,009,680	0.97
Unilever	385,462	16,148,931	2.24
United States of America 19.92% (17.92%)			
Albemarle	36,974	6,609,538	0.91
Alphabet	120,978	10,142,407	1.40
Apple	41,596	5,544,788	0.77
Applied Materials	76,220	7,571,760	1.05
CME	51,263	7,936,654	1.10
Danaher	44,817	9,134,484	1.26
Ecolab	43,526	5,826,700	0.81
Eli Lilly & Co	20,137	5,590,218	0.77
Exelon	235,238	7,965,882	1.10
Hubbell	45,391	8,933,193	1.24
Linde	29,021	8,335,103	1.15
Mastercard	27,674	8,131,763	1.13
Microsoft	105,978	24,703,772	3.42
NVIDIA	28,470	6,395,360	0.89
Otis Worldwide	59,019	4,024,337	0.56
TE Connectivity	50,616	5,367,191	0.74
Texas Instruments	77,597	11,673,596	1.62

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

Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Australia 0.94% (1.54%)			
BHP	266,926	6,830,636	0.94
Denmark 0.73% (0.53%)			
Novozymes	127,521	5,272,136	0.73
France 2.70% (2.14%)			
Bureau Veritas	365,815	8,508,148	1.18
Sanofi	125,633	11,033,317	1.52
Germany 1.79% (1.49%)			
SAP	126,486	12,909,774	1.79
Hong Kong 1.34% (1.14%)			
AIA	1,136,000	9,667,537	1.34
India 0.73% (0.63%)			
HDFC Bank ADR	98,719	5,320,582	0.73
Ireland 4.56% (5.28%)			
Accenture	44,353	10,248,056	1.42
Medtronic	134,837	8,783,025	1.22
Smurfit Kappa	111,959	3,275,920	0.45
Trane Technologies	71,301	10,608,219	1.47
Japan 2.48% (1.60%)			
FANUC	252,300	7,296,441	1.01
Sony	146,000	10,606,706	1.47
Netherlands 3.32% (3.15%)			
Universal Music	393,853	8,064,972	1.12
Wolters Kluwer	155,668	15,914,218	2.20
South Korea 1.31% (1.06%)			
Samsung SDI GDR	83,037	9,469,220	1.31
Switzerland 5.56% (4.60%)			
Alcon	132,057	7,564,152	1.05
Lonza	11,492	5,569,227	0.77
Novartis	135,079	10,015,374	1.39
Roche	35,360	8,167,345	1.13
Zurich Insurance	22,769	8,822,975	1.22
Portfolio of investments		701,289,383	97.09
Net current assets		21,046,057	2.91
Total Net Assets		722,335,440	100.00

Total unapproved and unquoted securities 0.00%

Comparative figures in brackets refer to 31 March 2022.

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 year ended 31 March 2023

	Notes	£	31/03/2023 £	£	31/03/2022 £
Income					
Net capital (losses)/gains	3		(1,953,955)		79,966,906
Revenue	4	18,196,187		19,140,191	
Expenses	5	(2,250,651)		(2,725,139)	
Interest payable and similar charges	7	(1,074)		(2,380)	
Net revenue before taxation		15,944,462		16,412,672	
Taxation	6	(549,403)		(898,322)	
Net revenue after taxation			15,395,059		15,514,350
Total return before distributions			13,441,104		95,481,256
Distributions	8		(16,821,843)		(17,939,153)
Change in net assets attributable to Unitholders from investment activities			(3,380,739)		77,542,103

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 March 2023

	£	31/03/2023 £	£	31/03/2022 £
Opening net assets attributable to Unitholders		732,869,198		780,059,957
Amounts receivable on issue of units	34,504,157		8,140,408	
Amounts payable on cancellation of units	(46,881,885)		(94,397,859)	
Amounts payable on in-specie of units	—		(42,862,132)	
		(12,377,728)		(129,119,583)
Dilution adjustment		19,396		18,343
Change in net assets attributable to Unitholders from investment activities		(3,380,739)		77,542,103
Retained distributions on accumulation units		5,205,313		4,368,378
Closing net assets attributable to Unitholders		722,335,440		732,869,198

Balance Sheet

as at 31 March 2023

	Notes	£	31/03/2023 £	£	31/03/2022 £
ASSETS					
Fixed assets					
Investment assets			701,289,383		690,536,692
Current assets					
Debtors	10	20,166,824		3,849,703	
Cash	11	741,560		125,987	
Cash equivalents	11	16,982,500		41,431,095	
Total other assets			37,890,884		45,406,785
Total assets			739,180,267		735,943,477
LIABILITIES					
Investment liabilities			—		—
Creditors					
Distribution payable		(3,053,170)		(2,821,362)	
Other creditors	12	(13,791,657)		(252,917)	
Total other liabilities			(16,844,827)		(3,074,279)
Total liabilities			(16,844,827)		(3,074,279)
Net assets attributable to Unitholders			722,335,440		732,869,198

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

Distribution Statements

for the year ended 31 March 2023

Final Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 January 2023

Group 2: Units purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2022
Sterling Accumulation				
Group 1	1.2685	—	1.2685	1.0492
Group 2	0.9137	0.3548	1.2685	1.0492
Sterling Income				
Group 1	1.0061	—	1.0061	0.8449
Group 2	0.4245	0.5816	1.0061	0.8449
Sterling Income 2				
Group 1	0.6438	—	0.6438	n/a
Group 2	0.6438	0.0000	0.6438	n/a
X (Accumulation)				
Group 1	0.9754	—	0.9754	0.8234
Group 2	0.9754	0.0000	0.9754	0.8234
X (Income)				
Group 1	1.0665	—	1.0665	0.9214
Group 2	1.0665	0.0000	1.0665	0.9214

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 October 2022

Group 2: Units purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2022
Sterling Accumulation				
Group 1	0.7073	—	0.7073	0.6312
Group 2	0.1856	0.5217	0.7073	0.6312
Sterling Income				
Group 1	0.5681	—	0.5681	0.5202
Group 2	0.2775	0.2906	0.5681	0.5202
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Accumulation)				
Group 1	0.5352	—	0.5352	0.4705
Group 2	0.5352	0.0000	0.5352	0.4705
X (Income)				
Group 1	0.5873	—	0.5873	0.5281
Group 2	0.5873	0.0000	0.5873	0.5281

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

Distribution Statements

(continued)

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 July 2022

Group 2: Units purchased 1 July 2022 to 30 September 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2021
Sterling Accumulation				
Group 1	1.3092	—	1.3092	1.2658
Group 2	1.0559	0.2533	1.3092	1.2658
Sterling Income				
Group 1	1.0606	—	1.0606	1.0477
Group 2	0.6768	0.3838	1.0606	1.0477
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Accumulation)				
Group 1	0.9930	—	0.9930	0.9507
Group 2	0.7504	0.2426	0.9930	0.9507
X (Income)				
Group 1	1.0973	—	1.0973	1.0741
Group 2	1.0973	0.0000	1.0973	1.0741

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 April 2022

Group 2: Units purchased 1 April 2022 to 30 June 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/06/2021
Sterling Accumulation				
Group 1	1.3269	—	1.3269	1.3768
Group 2	0.7231	0.6038	1.3269	1.3768
Sterling Income				
Group 1	1.0810	—	1.0810	1.1470
Group 2	0.4895	0.5915	1.0810	1.1470
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Accumulation)				
Group 1	1.0065	—	1.0065	1.0330
Group 2	0.7411	0.2654	1.0065	1.0330
X (Income)				
Group 1	1.1202	—	1.1202	1.1757
Group 2	0.0012	1.1190	1.1202	1.1757

	Franked (%)	Unfranked (%)
Final distributions for 31 March 2023	100.00	0.00
Interim distributions for 31 December 2022	100.00	0.00
Interim distributions for 30 September 2022	100.00	0.00
Interim distributions for 30 June 2022	100.00	0.00

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

Notes to the Financial Statements

for the year ended 31 March 2023

1 Accounting Policies

The Sub-fund's accounting policies are disclosed on page 4.

2 Distribution Policies

The Sub-fund's distribution policies are disclosed on page 5.

3 Net capital (losses)/gains

	31/03/2023	31/03/2022
	£	£
The net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(1,831,610)	80,031,125
Currency exchange losses	(115,343)	(51,461)
Activity charges	(7,002)	(12,758)
Net capital (losses)/gains	(1,953,955)	79,966,906

Net losses listed above of £(1,953,955) comprise net realised gains of £15,859,493 and net unrealised losses of £(17,806,544) (31/03/2022: Net gains listed above of £79,979,664 comprise net realised gains of £65,948,854 and net unrealised gains of £14,030,810). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

4 Revenue

	31/03/2023	31/03/2022
	£	£
Bank interest	650,670	25,122
Collective investment scheme distributions	279,773	299,670
Interest on debt securities	2,327,735	1,171,296
Overseas dividends	6,672,335	6,693,919
UK dividends	8,265,674	10,950,184
Total revenue	18,196,187	19,140,191

5 Expenses

	31/03/2023	31/03/2022
	£	£
Payable to the Manager or Associate of the Manager		
Manager's periodic charge	2,037,200	2,496,757
Administration fees	110,769	127,100
Safe custody fees	32,910	43,375
	2,180,879	2,667,232
Other expenses		
Audit fee	8,761	1,817
Financial Conduct Authority fee	(118)	221
Professional fees	11,604	2,492
Trustee's fee	49,525	51,623
Other expenses	—	1,754
	69,772	57,907
Total expenses	2,250,651	2,725,139

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

Notes to the Financial Statements

(continued)

6 Taxation

	31/03/2023 £	31/03/2022 £
a) Analysis of the tax charge		
Overseas tax withheld	719,424	898,322
Total current tax charge	719,424	898,322
Deferred tax credit	(170,021)	—
Total tax charge (see Note 6b)	549,403	898,322
b) Factors affecting the tax charge		
The tax assessed for the year is lower (31/03/2022: lower) than the standard rate of corporation tax in the UK for unit trusts (20%) (31/03/2022: 20%).		
The differences are explained below:		
Net revenue before taxation	15,944,462	16,412,672
Corporation tax @ 20%	3,188,892	3,282,534
Effects of:		
Indexation allowance	(31,269)	—
Movement in unrecognised tax losses	(340,042)	246,287
Overseas tax withheld	719,424	898,322
Revenue not subject to corporation tax	(2,987,602)	(3,528,821)
Total tax charge (see Note 6a)	549,403	898,322
c) Deferred tax (see Note 6a)		
Opening deferred tax balance	—	—
Deferred tax movement for the year	(170,021)	—
Closing deferred tax balance	(170,021)	—

7 Interest payable and similar charges

	31/03/2023 £	31/03/2022 £
Interest	1,074	2,380
Total interest	1,074	2,380

8 Distributions

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

	31/03/2023 £	31/03/2022 £
Interim Dividend Distribution 30 June	4,858,067	6,005,979
Interim Dividend Distribution 30 September	4,774,630	5,406,066
Interim Dividend Distribution 31 December	2,546,346	2,467,793
Final Dividend Distribution 31 March	4,538,983	3,906,607
	16,718,026	17,786,445
Amounts added on issue of units	(73,265)	(18,352)
Amounts deducted on cancellation of units	177,082	110,795
Amounts deducted on in-specie of units	—	60,265
Net distributions for the year	16,821,843	17,939,153

9 Net movement between revenue after taxation and distributions

	31/03/2023 £	31/03/2022 £
Net revenue after taxation	15,395,059	15,514,350
Capitalised fees less tax relief paid from capital	1,596,931	2,424,815
Deferred tax	(170,021)	—
Equalisation on conversions	(126)	(12)
Net distributions for the year	16,821,843	17,939,153

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

Notes to the Financial Statements

(continued)

10 Debtors

	31/03/2023	31/03/2022
	£	£
Accrued revenue	1,531,329	2,110,583
Amounts receivable for issue of units	20,000	30,000
Amounts receivable on open currency contracts	5,933,279	—
Deferred tax	170,021	—
Overseas withholding tax reclaimable	1,097,851	1,709,120
Sales awaiting settlement	11,414,344	—
Total debtors	20,166,824	3,849,703

11 Cash & cash equivalents

	31/03/2023	31/03/2022
	£	£
Cash held at bank	741,560	125,987
Cash held in Liquidity Funds	16,982,500	41,431,095
Total cash & cash equivalents	17,724,060	41,557,082

12 Other creditors

	31/03/2023	31/03/2022
	£	£
Accrued expenses	247,555	252,917
Amounts payable for cancellation of units	6,219,745	—
Amounts payable on open currency contracts	5,935,903	—
Purchases awaiting settlement	1,388,454	—
Total other creditors	13,791,657	252,917

13 Related parties

Manager's periodic charge, administration fees, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8.

The balance due to the Manager at 31 March 2023 in respect of these transactions was £6,416,276 (31/03/2022: £194,032).

Any investments in or transactions with other BNYM related party entities are individually identified in the portfolio statement.

14 Financial instruments

The objective of the Sub-fund is to maximise returns through capital growth and income.

Please refer to Note 4 of the notes to the applicable financial statements of all Sub-funds for a detailed description of the risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks. There were no further specific risks for this Sub-fund.

Market Price Risk

The value of the Sub-fund's investments which were exposed to market price risk was as follows:

	31/03/2023	31/03/2022
	£	£
Investments held at the balance sheet date	701,289,383	690,536,692

Market Price Sensitivity

The following table illustrates the sensitivity of the return and the net assets to an increase or decrease of 5% (31/03/2022: 5%) in the fair values of the Sub-fund's investments. This level of change is considered to be reasonably possible based on observation of market

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

Notes to the Financial Statements

(continued)

14 Financial instruments (continued)

Market Price Sensitivity (continued)

conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Sub-fund's investments at each balance sheet date.

	31/03/2023		31/03/2022	
	5% Increase in fair value	5% Decrease in fair value	5% Increase in fair value	5% Decrease in fair value
	£	£	£	£
Non-derivative securities	35,064,469	(35,064,469)	34,526,835	(34,526,835)
Net capital impact	35,064,469	(35,064,469)	34,526,835	(34,526,835)

Valuation of financial instruments

The categorisation of financial instruments in the tables below reflect the methodology used to measure their fair value.

	31/03/2023 Assets £	31/03/2023 Liabilities £
Level 1: Quoted prices	569,435,517	—
Level 2: Observable market data	131,853,866	—
Level 3: Unobservable data	—	—
	701,289,383	—
	31/03/2022 Assets £	31/03/2022 Liabilities £
Level 1: Quoted prices	586,638,864	—
Level 2: Observable market data	103,897,828	—
Level 3: Unobservable data	—	—
	690,536,692	—

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3: Valuation techniques using unobservable inputs.

Interest rate risk

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2023 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying Interest £	Total £
Investment assets	—	124,085,596	577,203,787	701,289,383
Investment liabilities	—	—	—	—
Total	—	124,085,596	577,203,787	701,289,383

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2022 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying interest £	Total £
Investment assets	—	94,825,898	595,710,794	690,536,692
Investment liabilities	—	—	—	—
Total	—	94,825,898	595,710,794	690,536,692

Interest rate sensitivity

Using duration analysis, an increase/decrease of 0.25% (31/3/2022: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.32% (31/3/2022: 0.27%) decrease/increase respectively in the portfolio valuation.

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

Notes to the Financial Statements

(continued)

14 Financial instruments (continued)

Foreign currency risk

The table that follows details the currency profile of the Sub-fund's assets:

	31/03/2023	31/03/2023	31/03/2023	31/03/2022
	Investments	Net Current Assets	Total	Total
	£	£	£	£
Danish Krone	5,272,136	135,949	5,408,085	3,927,818
Euro	56,430,429	215,606	56,646,035	49,784,969
Hong Kong Dollar	9,667,537	—	9,667,537	8,351,189
Japanese Yen	17,903,147	105,961	18,009,108	11,746,671
Norwegian Krone	—	384,273	384,273	432,227
Swiss Franc	40,139,073	463,923	40,602,996	34,866,340
United States Dollar	202,092,548	789,507	202,882,055	202,138,514
Total	331,504,870	2,095,219	333,600,089	311,247,728

Foreign currency sensitivity

The following table illustrates the sensitivity of the return and net assets of the Sub-fund to a 5% (31/03/2022: 5%) strengthening or weakening of its base rate currency against other currencies to which there is significant exposure to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

31 March 2023

	Total Exposure	Impact of a 5% weakening of base currency	Impact of a 5% strengthening of base currency
Currency	£	£	£
United States Dollar	202,882,055	10,678,003	(9,661,050)

31 March 2022

	Total Exposure	Impact of a 5% weakening of base currency	Impact of a 5% strengthening of base currency
Currency	£	£	£
United States Dollar	202,138,514	10,638,869	(9,625,644)

Portfolio Statement by Credit Rating

as at 31 March 2023

	Market Value	Total Net Assets (%)	Total Net Assets (%)
	£	31/03/2023	31/03/2022
Investment grade securities	124,085,596	17.18	12.94
Other assets	577,203,787	79.91	81.28
Portfolio of investments	701,289,383	97.09	94.22
Net current assets	21,046,057	2.91	5.78
Total net assets	722,335,440	100.00	100.00

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

Notes to the Financial Statements

(continued)

15 Portfolio transaction costs

for the year ended 31 March 2023

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Equity instruments (direct)	100,833	27	0.03	35	0.03
Debt instruments (direct)	76,075	—	—	—	—
Total purchases	176,908	27		35	
Total purchases including transaction costs	176,970				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Equity instruments (direct)	124,484	36	0.03	1	0.00
Debt instruments (direct)	38,705	—	—	—	—
Collective investment schemes	189	—	—	—	—
Total sales	163,378	36		1	
Total sales net of transaction costs	163,341				

Total transaction costs 63 36

Total transaction costs as a % of average net assets 0.01% 0.00%

for the year ended 31 March 2022

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Equity instruments (direct)	75,189	25	0.03	—	—
Debt instruments (direct)	19,773	—	—	—	—
Total purchases	94,962	25		—	
Total purchases including transaction costs	94,987				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Equity instruments (direct)	193,376	57	0.03	4	0.00
Debt instruments (direct)	5,129	—	—	—	—
Collective investment schemes	1,680	—	—	—	—
In-specie transfers	40,278	—	—	—	—
Total sales	240,463	57		4	
Total sales net of transaction costs	240,402				

Total transaction costs 82 4

Total transaction costs as a % of average net assets 0.01% 0.00%

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

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

Notes to the Financial Statements

(continued)

15 Portfolio transaction costs (continued)

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.06% (31/03/2022: 0.04%).

16 Unit movement

for the year ended 31 March 2023

	Opening units	Units issued	Units cancelled	Units converted	Closing units
Sterling Accumulation	15,620,238	2,201,328	(394,776)	3,261,222	20,688,012
Sterling Income	208,271,960	2,665,647	(23,631,799)	(4,075,279)	183,230,529
Sterling Income 2	—	—	—	13,693,648	13,693,648
X (Accumulation)	111,893,241	16,765,468	(3,235,143)	—	125,423,566
X (Income)	115,216,786	617,321	(2,406,581)	(8,267,613)	105,159,913

17 Unitholder's funds

The Sub-fund currently has the below unit classes in issue. Each unit class suffers a different annual Manager's periodic charge which is payable to the Manager and is shown below:

	Manager's periodic charge
Sterling Accumulation	0.60%
Sterling Income	0.60%
Sterling Income 2	0.50%
X (Accumulation)	0.00%
X (Income)	0.00%

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

All unit classes have the same rights on winding up.

18 Post Balance Sheet Events

There were no events that occurred after 31 March 2023 which would require disclosure or adjustment to the financial statements of the Sub-fund.

BNY Mellon Charities Funds

Newton Sustainable Growth and Income Fund for Charities

Annual Report

for the year ended 31 March 2023

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

Performance and Fund Report

for the year ended 31 March 2023

General Information

Investment Adviser:	Newton Investment Management
Fund Size:	£71.69m
Comparative Index:	75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded
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	31/03/2022 31/03/2023	31/03/2021 31/03/2022	31/03/2020 31/03/2021
Sterling Accumulation	-2.36%	8.36%	21.35%
Sterling Income	-2.35%	8.35%	21.36%
Sterling Income 2^	n/a	n/a	n/a
X (Income)	-1.96%	8.94%	21.97%
75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded*	-4.22%	8.14%	n/a
Comparative Index**	n/a	n/a	20.53%

^Full 3 year performance data is not available. For unit class launch and closure dates, please refer to the Statistics section on pages 32 to 33.

*Effective 1 October 2021, the benchmark changed from the London Interbank Bid Rate (LIBID) to the Sterling Overnight Index Average (SONIA). All benchmark past performance prior to this date was calculated against LIBID.

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

Source: Lipper as at 31 March 2023 Total return, including gross income reinvested, net of annual charges and excluding initial charge. All figures are in GBP 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.

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

Performance and Fund Report

(continued)

Fund Report

Attribution

This was a particularly challenging period for financial markets. Worries around a shift in global monetary policy weighed on equities into the second quarter of 2022, with stretched valuations a cause for concern in the face of hawkish central banks. Renewed Covid-19-related lockdowns in China also weighed on investor sentiment given the implications for economic growth and supply chains.

After a promising start marked by a strong equity-market rally in July, the third quarter of 2022 proved to be very volatile with sharp, broad-based declines seen in all major asset classes. Investor hopes of a 'pivot' by the US Federal Reserve (Fed) on the interest-rate trajectory were dashed early in the quarter as it became increasingly clear that the central bank's priority was to quash inflation rather than support the economy and financial asset prices. Such rhetoric was reinforced with interest-rate hikes by the Fed, the European Central Bank and the Bank of England, leading markets to quickly price in a more aggressive path of future rate hikes. Central-bank hawkishness was coupled with major disruptions to Europe's energy supply, a knock-on effect of the Ukraine-Russia conflict, and led to increasing concerns about the likelihood of recession. Later in September, the sell-off developed into something akin to a liquidity crisis affecting major asset classes, all of which fell in tandem. Finally, there was serious turbulence in the UK gilt market that stemmed from the UK's mini-budget.

During the final quarter of 2022, equities recovered some of the ground lost earlier in the year. The outlook for inflation, and the trajectory of monetary policy, continued to dominate the narrative within financial markets. In early October, evidence of decelerating price growth in the US ISM (Institute for Supply Management) Manufacturing report raised hopes that inflation had peaked, provided a boost for risk assets. Further positive momentum was injected a month later, when it was the turn of US consumer price inflation to come in lower than expected, a development that also drove government bond yields lower. However, in spite of this encouraging news flow, central bankers steadfastly maintained a hawkish tone, both in terms of their rhetoric and their actions. At the end of the quarter, even the Bank of Japan, hitherto an outlier in the process of monetary tightening, surprised investors by moderating its policy of yield-curve control as it raised the cap on the country's long-term interest rates. These developments contributed to the broader trend of profit-taking into year end, both in equities and government bonds.

At the start of 2023 share prices were lifted by positive sentiment around China's reopening after the swift abandonment of its zero-Covid policy. However, as the quarter progressed, several issues came to the fore which took their toll on sentiment. January's US inflation prints came in ahead of expectations, while headline employment data was also very robust. This prompted the Fed to maintain its hawkish rhetoric, which coupled with a re-escalation of US-China tensions, put pressure on risk assets. The other major challenge arose in early March, as signs of stress emerged within the US banking sector. This was followed, shortly after, by the enforced takeover of Credit Suisse by UBS under the auspices of the Swiss authorities.

Against this backdrop, the Sub-fund produced a negative return over the reporting period (-2.35%* - Newton Sustainable Growth and Income Fund for Charities Sterling Income Unit Class), but outperformed its performance benchmark (-4.22%**). The Sub-fund's positioning in bonds contributed significantly to its relative outperformance owing to its underweight in UK government bonds. The Sub-fund's equity positioning was also positive, particularly in the US industrial holdings which recovered and benefited from the strong US dollar. A further contribution came from the holding in physical gold, which benefited from the stronger US dollar.

Within the industrials sector, electrical manufacturer Hubbell performed well on good results. Strength in grid modernisation and electrification activity in US markets remain intact, despite the more uncertain economic outlook. In our opinion, these key long-term secular drivers should continue to be a benefit to Hubbell's future business. US heating, ventilation and air conditioning manufacturer Trane Technologies also reported good results and continues to see strength in its underlying markets as consumers and businesses seek energy-efficiency measures. Lower commodity prices also improved sentiment around risks to margins. However, the increasingly uncertain macroeconomic backdrop weighed on Japanese human-resources company Recruit.

SAP performed well as technology stocks found favour and the sale of one of its investments was taken positively by investors. Advantaged by certain aspects of the US Inflation Reduction Act, relative to Chinese peers, South Korean battery maker Samsung SDI performed well.

In the consumer sectors, the holdings in RELX and Wolters Kluwer performed well as the resiliency of their earnings streams proved attractive in a more uncertain environment. The prospect of a slowdown in the pace of interest-rate rises lifted US homebuilder Toll Brothers. The Sub-fund also benefited from not holding Tesla, which fell as it announced it had increased the discount on some of its models, raising concerns around demand. The electric-car maker was further hit by worries over disruptions to its manufacturing operations in China.

Within the financials sector, India's HDFC Bank performed well with the country exhibiting strong post-pandemic growth. The biggest detractor was Home REIT, which provides housing for the homeless. It was the focus of a short-seller attack that questioned its business model and practices. The accusations were strongly rebutted by the management and the dividend has continued to be paid, suggesting that rents are being collected, which was one of the concerns of the short seller. Hipgnosis Songs Fund detracted on investors' concerns around the rising cost of servicing its debt. SDCL Energy Efficiency Income Trust and Cordiant Digital Infrastructure Fund also detracted in the wake of the financial crisis, falling on worries over the possibility of a constraint on access to capital.

Elsewhere, medical device company Medtronic was weak as supply-chain issues led to weaker growth and the strong US dollar affected reported results. We believe the company is well placed to grow following the resolution of its short-term issues and as its pipeline of new products comes to market. The valuation appeared attractive in our view. The holding in Alphabet underperformed as advertising slowed and concerns around short-term demand within the cloud business increased. Alphabet is continuing to invest for the long term, which is likely to affect profitability into the cyclical slowdown, and this was taken negatively by investors with shorter time horizons.

Activity

Within health care, we bought French pharmaceutical company Sanofi. We anticipate strong long-term demand for its blockbuster drug, Dupixent, which is used for allergic diseases such as eczema and asthma but which also has scope for expansion into other therapy areas. Sanofi appeared to trade on an attractive valuation, and has a strong balance sheet and a reasonable yield. We bought Eli Lilly & Co, a global biopharmaceutical company. The company's pipeline includes a new therapy for diabetes, which may also be suitable as an obesity treatment, a type of product for which there is particularly strong demand. While the valuation appeared full on near-term metrics, we believe that the optionality of increased sales growth is significant, given the potential of the company's pipeline. We initiated a position in Switzerland's Lonza

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

Performance and Fund Report

(continued)

following a period of lacklustre share-price performance amid the market rotation away from growth stocks. As a drug contract development and manufacturing organisation providing services to biotechnology and pharmaceutical companies, Lonza stands to benefit from growing demand for next-generation biological drugs. We also added a new position in Danaher, which has built leading franchises across the life-sciences and diagnostics sectors. A separation of its environmental business later this year should allow investors to focus on the higher-growth health segments of the business. We believe that Danaher should benefit from continued innovation in the life-sciences industry. We sold M3, as we reduced exposure to high-multiple companies. We felt the stock's lofty multiple could prove vulnerable in a risk-off environment. We also sold the holding in GSK following strong performance, as we believed the valuation of the consumer business was increasingly reflected in the share price. The remaining business includes a vaccine franchise and a pharmaceutical business with the likelihood of increased competition from generic competitors as patents expire towards the end of the decade. With an uncertain pipeline of products, we decided to exit the position. We also sold the holding in Abbott Laboratories as Covid-related revenues were in steep decline and there have been some issues in the nutrition business, which have held back growth. Our analysis suggests other areas of the health-care sector may have better long-term growth dynamics.

Within the industrials sector, we sold certification business Bureau Veritas, acknowledging that the valuation gap that existed versus peers had largely closed. Furthermore, we felt that there could be some weakness in near-term trading given the potential for an economic slowdown. We also sold the holding in builders merchant Travis Perkins to reduce the Sub-fund's exposure to UK cyclicalities. We bought Fanuc, a Japanese-based company mainly engaged in the provision of factory automation machinery and robotics. The company has both cyclical and secular exposures, with the former being the primary reason for share-price weakness over the course of the year given the deteriorating macroeconomic outlook. However, we believe that industry trends are set to improve and highlight several factors that should be positive for Fanuc in the mid-to-long term: tight labour markets, higher wage costs, a growing penetration of automation in factories and the trend of onshoring production capacity by developed economies.

Within financials, we sold the position in Assurant, which is a global provider of lifestyle and housing insurance solutions that support, protect and connect major consumer purchases. We believe that the business may struggle in the near term from foreign-exchange pressures and with weakness within Europe likely to persist into 2023. We also sold Chubb and switched the proceeds into its US insurance peer Progressive because of our preference for personal lines exposure over commercial lines. We were attracted to Progressive by the potential for positive earnings revisions. Indeed, we believe there is scope for the business to gain market share in future years. The business has been able to price for claims inflation ahead of its peers, taking advantage of its superior data analytics. Against an uncertain macroeconomic backdrop, Progressive has a defensive and low-risk balance sheet with limited asset risk, in our view.

The Sub-fund participated in the placing of Bluefield Solar Income Fund. Bluefield is a key beneficiary of the move to renewable energy infrastructure in the UK which is tied to the UK's commitment to transition to a lower-carbon economy. Bluefield Solar Income Fund looks well placed, given the power-price increases we are seeing in the UK, which are at multi-year highs. We sold investment trust Atrato Onsite Energy. While the management team is high quality, we felt the valuation looked quite full and it will take a long time for the company to build out its solar capacity.

Elsewhere, following relative share-price strength we also sold the holding in contract caterer Compass, on concerns that recent food-price rises will impair a significant recovery in sales and profit margins.

We increased the fixed-interest weighting of the Sub-fund with the purchase of short-dated government bonds. Rising yields have resulted in a more attractive investment proposition for investors and we diversified some of the Sub-fund's cash holdings into shorter-dated bonds to take advantage of the higher yields available while keeping sensitivity to further rises in interest rates low. We bought a UK government 2035 index-linked bond to increase the Sub-fund's exposure to sterling and increase duration as real yields turned positive. We also increased exposure to US longer-dated bonds through the purchase of US government 2032 and 2043 bonds in order to slightly increase duration (interest-rate sensitivity) given the significant rise in yields. At these levels, we believe bonds can start to provide diversification in the event of a significant downturn in economic growth.

Outlook

While inflation remains elevated, tighter monetary policy is beginning to test the fragility of the financial system. As the economy adjusts to the effects of higher bond yields, potential exists for increased pressure to be placed on liquidity and credit availability within the economy. Volatility is therefore likely to be a feature of markets over the short term, as we work through the consequences of the higher-yield environment. We will continue to place our focus on those companies which we believe have more resilient earnings profiles and attractive end-market outlooks. Over the longer term, we will seek to benefit from the opportunities and avoid the challenges identified by our multidimensional research process, as the ongoing tectonic shifts in technology, health care, energy and geopolitics, among other areas, continue to shape the world around us.

*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: 75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded

If you would like help understanding the definition of certain terms, please refer to our online Glossary – www.bnymellonim.com/glossary.

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

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

(continued)

Purchases	Sales
United States Treasury Bond 2.875% 15/5/2043	Abbott Laboratories
United States Treasury Bond 1.125% 15/1/2025	Invesco Physical Gold ETC
United Kingdom Gilt 2.25% 7/9/2023	GSK
Sanofi	Apple
Danaher	Bureau Veritas
United States Treasury Inflation Indexed Bonds 0.75% 15/7/2028	Compass
Lonza	Toll Brothers
United Kingdom Inflation-Linked Gilt 2% 26/1/2035	Chubb
United Kingdom Gilt 3.25% 22/1/2044	AstraZeneca
Eli Lilly & Co	Mastercard

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

Statistics

for the year ended 31 March 2023

Comparative Tables

	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
Sterling Accumulation			
Change in net assets per unit			
Opening net asset value per unit	191.15	177.89	146.48
Return before operating charges*	(0.13)	14.59	32.62
Operating charges	(1.45)	(1.33)	(1.21)
Return after operating charges	(1.58)	13.26	31.41
Distributions	(3.87)	(2.89)	(2.63)
Retained distributions on accumulation units	3.87	2.89	2.63
Closing net asset value per unit	189.57	191.15	177.89
* after direct transaction costs of:	(0.03)	(0.03)	(0.06)
Performance			
Return after charges	(0.83%)	7.45%	21.44%
Other information			
Closing net asset value (£)	11,805,924	12,651,249	10,818,760
Closing number of units	6,227,632	6,618,624	6,081,654
Operating charges**	0.78%	0.70%	0.72%
Direct transaction costs*	0.02%	0.02%	0.04%
Prices			
Highest unit price	196.13	204.03	180.27
Lowest unit price	175.63	177.05	143.14
	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
Sterling Income			
Change in net assets per unit			
Opening net asset value per unit	160.16	151.32	126.57
Return before operating charges*	(0.24)	12.41	28.05
Operating charges	(1.20)	(1.13)	(1.03)
Return after operating charges	(1.44)	11.28	27.02
Distributions	(3.20)	(2.44)	(2.27)
Retained distributions on accumulation units	—	—	—
Closing net asset value per unit	155.52	160.16	151.32
* after direct transaction costs of:	(0.03)	(0.03)	(0.05)
Performance			
Return after charges	(0.90%)	7.45%	21.35%
Other information			
Closing net asset value (£)	10,535,815	16,529,771	15,333,543
Closing number of units	6,774,717	10,320,913	10,133,095
Operating charges**	0.78%	0.70%	0.72%
Direct transaction costs*	0.02%	0.02%	0.04%
Prices			
Highest unit price	163.28	172.07	153.93
Lowest unit price	146.07	150.60	123.67

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

**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, Depositary, 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 Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

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

Statistics

(continued)

Comparative Tables (continued)

Sterling Income 2		31/03/2023*** (pence)	
Change in net assets per unit			
Opening net asset value per unit			100.00
Return before operating charges*			1.31
Operating charges			(0.03)
Return after operating charges			1.28
Distributions			(0.52)
Retained distributions on accumulation units			—
Closing net asset value per unit			100.76
* after direct transaction costs of:			0.00
Performance			
Return after charges			1.28%
Other information			
Closing net asset value (£)			9,971,740
Closing number of units			9,896,704
Operating charges**			0.68%
Direct transaction costs*			0.02%
Prices			
Highest unit price			100.84
Lowest unit price			98.91

	31/03/2023 (pence)	31/03/2022 (pence)	31/03/2021 (pence)
X (Income)			
Change in net assets per unit			
Opening net asset value per unit	166.95	156.84	130.50
Return before operating charges*	(0.53)	12.75	28.85
Operating charges	(0.29)	(0.17)	(0.18)
Return after operating charges	(0.82)	12.58	28.67
Distributions	(3.36)	(2.47)	(2.33)
Retained distributions on accumulation units	—	—	—
Closing net asset value per unit	162.77	166.95	156.84
* after direct transaction costs of:	(0.03)	(0.03)	(0.06)
Performance			
Return after charges	(0.49%)	8.02%	21.97%
Other information			
Closing net asset value (£)	39,376,053	40,590,175	43,393,831
Closing number of units	24,191,891	24,312,052	27,668,139
Operating charges**	0.18%	0.10%	0.12%
Direct transaction costs*	0.02%	0.02%	0.04%
Prices			
Highest unit price	170.51	179.04	159.44
Lowest unit price	152.63	156.20	127.52

*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

**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, Depositary, 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 Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

***Unit class launched on 17 March 2023.

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

Portfolio Statement (Unaudited)

as at 31 March 2023

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Bonds 18.54% (11.14%)			
United Kingdom Government Bonds 5.83% (2.81%)			
United Kingdom Gilt 2.25% 7/9/2023	GBP1,329,749	1,318,081	1.84
United Kingdom Gilt 3.25% 22/1/2044	GBP596,000	542,107	0.76
United Kingdom Gilt 3.75% 22/7/2052	GBP560,000	549,962	0.77
United Kingdom Gilt 4.25% 7/3/2036	GBP342,000	362,648	0.50
United Kingdom Gilt 6% 7/12/2028	GBP528,000	597,128	0.83
United Kingdom Inflation-Linked Gilt 2% 26/1/2035	GBP319,128	809,908	1.13
Overseas Government Bonds 9.66% (4.82%)			
New Zealand Government Inflation Linked Bond 3% 20/9/2030	NZD549,000	372,444	0.52
United States Treasury Bond 1.125% 15/1/2025	USD1,713,100	1,312,435	1.83
United States Treasury Bond 1.5% 15/8/2026	USD1,323,000	992,173	1.38
United States Treasury Bond 1.5% 15/2/2030	USD897,000	636,368	0.89
United States Treasury Bond 2.875% 15/5/2043	USD1,786,000	1,245,619	1.74
United States Treasury Bond 3% 15/5/2045	USD1,025,000	720,214	1.00
United States Treasury Inflation Indexed Bonds 0.75% 15/7/2028	USD1,394,700	1,318,715	1.84
United States Treasury Inflation Indexed Bonds 3.375% 15/4/2032	USD205,800	331,602	0.46
Sterling Denominated Corporate Bonds 2.53% (2.96%)			
Coventry Building Society 6.875% Perpetual	GBP277,000	242,236	0.34
DWR Cymru Financing UK 6.015% 31/3/2028	GBP170,000	178,765	0.25
European Investment Bank 0.75% 15/11/2024	GBP230,000	217,065	0.30
Motability Operations 1.5% 20/1/2041	GBP120,000	72,155	0.10
National Express 4.25% Perpetual	GBP100,000	87,625	0.12
Orsted 4.875% 12/1/2032	GBP207,000	204,762	0.29
UNITE USAF II 3.374% 30/6/2028	GBP307,000	304,946	0.43
Virgin Media Vendor Financing Notes III DAC 4.875% 15/7/2028	GBP286,000	242,431	0.34
Vodafone 4.875% 3/10/2078	GBP275,000	260,906	0.36
Non-Sterling Denominated Corporate Bonds 0.52% (0.55%)			
Infineon Technologies 3.625% Perpetual	EUR300,000	238,226	0.33
Meituan 3.05% 28/10/2030	USD210,000	136,108	0.19
Collective Investment Schemes 6.15% (8.76%)			
Aquila European Renewables Income Fund	445,744	364,240	0.51
Bluefield Solar Income Fund	253,480	351,070	0.49
Cordiant Digital Infrastructure Fund	710,468	576,900	0.80
Greencoat UK Wind Fund	657,941	1,029,678	1.44
Hipgnosis Songs Fund	812,266	657,935	0.92
International Public Partnerships	195,205	282,266	0.39
JLEN Environmental Assets Foresight	250,586	298,699	0.42
Renewables Infrastructure	678,077	846,240	1.18
Commodities 1.06% (2.92%)			
Invesco Physical Gold ETC	4,912	759,176	1.06
Equities 71.35% (69.96%)			
United Kingdom 14.30% (16.78%)			
3i	36,617	616,813	0.86
Ashtead	13,136	650,889	0.91
AstraZeneca	7,595	853,070	1.19
Barclays	289,265	421,748	0.59
Ferguson	6,647	707,906	0.99
Hays	347,018	386,578	0.54
Home REIT	584,236	222,302	0.31
Informa	120,591	835,213	1.16
National Grid	48,531	531,900	0.74
Prudential	71,893	792,261	1.10
RELX	69,459	1,817,742	2.54
Schroder Bsc Social Impact Trust	530,706	509,478	0.71
SDCL Energy Efficiency Income Trust	637,775	534,455	0.75

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 Kingdom (continued)			
Unilever	21,843	915,113	1.28
VH Global Sustainable Energy Opportunities	458,781	455,111	0.63
United States of America 29.68% (29.19%)			
Albemarle	4,792	856,626	1.19
Alphabet	26,040	2,183,110	3.05
Amazon.com	10,211	852,919	1.19
Apple	14,339	1,911,403	2.67
Applied Materials	9,537	947,414	1.32
CME	6,204	960,517	1.34
Cooper Companies	2,355	710,833	0.99
Danaher	4,176	851,141	1.19
Ecolab	2,853	381,923	0.53
Eli Lilly & Co	2,161	599,914	0.84
Exelon	24,158	818,064	1.14
Goldman Sachs	1,360	359,664	0.50
Hubbell	5,175	1,018,468	1.42
Laureate Education	84,262	800,061	1.12
Linde	4,206	1,208,003	1.68
Mastercard	3,722	1,093,677	1.53
Microsoft	12,312	2,869,962	4.00
Otis Worldwide	14,531	990,828	1.38
Progressive	3,785	437,688	0.61
TE Connectivity	8,474	898,561	1.25
Toll Brothers	10,885	528,470	0.74
Australia 0.30% (0.29%)			
Insurance Australia	85,220	216,495	0.30
China 0.79% (0.54%)			
Ping An Insurance of China	108,000	568,038	0.79
Denmark 0.80% (0.84%)			
Novozymes	13,796	570,372	0.80
France 1.57% (0.83%)			
Sanofi	12,800	1,124,119	1.57
Germany 2.19% (1.78%)			
SAP	15,369	1,568,635	2.19
Hong Kong 1.93% (1.84%)			
AIA	162,600	1,383,751	1.93
India 1.32% (1.11%)			
HDFC Bank ADR	17,529	944,747	1.32
Ireland 6.28% (6.66%)			
Accenture	6,107	1,411,063	1.97
Greencoat Renewables	354,872	339,874	0.47
Medtronic	18,800	1,224,596	1.71
Smurfit Kappa	20,554	601,410	0.84
Trane Technologies	6,198	922,144	1.29
Japan 3.54% (3.69%)			
FANUC	20,000	578,394	0.81
Recruit	25,100	556,425	0.78
Sony	19,300	1,402,119	1.95
Netherlands 2.83% (2.26%)			
Universal Music	55,225	1,130,848	1.58
Wolters Kluwer	8,774	896,982	1.25
South Korea 1.66% (1.32%)			
Samsung SDI GDR	10,463	1,193,160	1.66

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

Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
Switzerland 4.16% (2.83%)			
Alcon	10,871	622,685	0.87
Lonza	1,587	769,088	1.07
Roche	3,821	882,563	1.23
Zurich Insurance	1,834	710,674	0.99
Derivatives 0.00% (-0.02%)			
USD Forward Foreign Currency Contracts 0.00% (-0.02%)			
Forward Foreign Currency Contracts to sell NZD(919,069) for USD577,283 18/4/2023		1,827	0.00
Portfolio of investments		69,610,667	97.10
Net current assets		2,078,865	2.90
Total Net Assets		71,689,532	100.00
Total unapproved and unquoted securities			0.00%

Comparative figures in brackets refer to 31 March 2022.

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 year ended 31 March 2023

	Notes	£	31/03/2023 £	£	31/03/2022 £
Income					
Net capital (losses)/gains	3		(1,802,291)		4,572,454
Revenue	4	1,592,332		1,211,901	
Expenses	5	(204,590)		(238,737)	
Interest payable and similar charges	7	(156)		(102)	
Net revenue before taxation		1,387,586		973,062	
Taxation	6	(79,823)		(70,146)	
Net revenue after taxation			1,307,763		902,916
Total return before distributions			(494,528)		5,475,370
Distributions	8		(1,446,226)		(1,107,927)
Change in net assets attributable to Unitholders from investment activities			(1,940,754)		4,367,443

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 March 2023

		£	31/03/2023 £	£	31/03/2022 £
Opening net assets attributable to Unitholders			69,771,195		69,546,134
Amounts receivable on issue of units		10,903,058		2,414,760	
Amounts payable on cancellation of units		(7,313,716)		(6,746,244)	
			3,589,342		(4,331,484)
Dilution adjustment			17,517		7,272
Change in net assets attributable to Unitholders from investment activities			(1,940,754)		4,367,443
Retained distributions on accumulation units			252,232		181,830
Closing net assets attributable to Unitholders			71,689,532		69,771,195

Balance Sheet

as at 31 March 2023

	Notes	£	31/03/2023 £	£	31/03/2022 £
ASSETS					
Fixed assets					
Investment assets*			69,610,667		64,733,145
Current assets					
Debtors	10	8,061,086		1,454,330	
Cash	11	11,242		4,663,486	
Cash equivalents	11	1,166,265		6,363,123	
Total other assets			9,238,593		12,480,939
Total assets			78,849,260		77,214,084
LIABILITIES					
Investment liabilities			—		(15,704)
Creditors					
Distribution payable		(306,787)		(198,844)	
Other creditors	12	(6,852,941)		(7,228,341)	
Total other liabilities			(7,159,728)		(7,427,185)
Total liabilities			(7,159,728)		(7,442,889)
Net assets attributable to Unitholders			71,689,532		69,771,195

*Gross of investment liabilities.

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

Distribution Statements

for the year ended 31 March 2023

Final Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 January 2023

Group 2: Units purchased 1 January 2023 to 31 March 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2022
Sterling Accumulation				
Group 1	0.9375	—	0.9375	0.6805
Group 2	0.9375	0.0000	0.9375	0.6805
Sterling Income				
Group 1	0.7591	—	0.7591	0.5721
Group 2	0.6778	0.0813	0.7591	0.5721
Sterling Income 2				
Group 1	0.5214	—	0.5214	n/a
Group 2	0.0611	0.4603	0.5214	n/a
X (Income)				
Group 1	0.8422	—	0.8422	0.5750
Group 2	0.4330	0.4092	0.8422	0.5750

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 October 2022

Group 2: Units purchased 1 October 2022 to 31 December 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2022
Sterling Accumulation				
Group 1	0.8466	—	0.8466	0.5953
Group 2	0.8466	0.0000	0.8466	0.5953
Sterling Income				
Group 1	0.7010	—	0.7010	0.5016
Group 2	0.1961	0.5049	0.7010	0.5016
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Income)				
Group 1	0.7275	—	0.7275	0.5024
Group 2	0.2337	0.4938	0.7275	0.5024

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 July 2022

Group 2: Units purchased 1 July 2022 to 30 September 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2021
Sterling Accumulation				
Group 1	0.9234	—	0.9234	0.6658
Group 2	0.9234	0.0000	0.9234	0.6658
Sterling Income				
Group 1	0.7683	—	0.7683	0.5622
Group 2	0.2833	0.4850	0.7683	0.5622
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Income)				
Group 1	0.7917	—	0.7917	0.5693
Group 2	0.3208	0.4709	0.7917	0.5693

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

Distribution Statements

(continued)

Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 April 2022

Group 2: Units purchased 1 April 2022 to 30 June 2022

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/06/2021
Sterling Accumulation				
Group 1	1.1589	—	1.1589	0.9499
Group 2	1.1589	0.0000	1.1589	0.9499
Sterling Income				
Group 1	0.9702	—	0.9702	0.8043
Group 2	0.2441	0.7261	0.9702	0.8043
Sterling Income 2				
Group 1	n/a	—	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
X (Income)				
Group 1	0.9978	—	0.9978	0.8216
Group 2	0.1389	0.8589	0.9978	0.8216
			Franked (%)	Unfranked (%)
Final distributions for 31 March 2023			100.00	0.00
Interim distributions for 31 December 2022			100.00	0.00
Interim distributions for 30 September 2022			100.00	0.00
Interim distributions for 30 June 2022			100.00	0.00

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

Notes to the Financial Statements

for the year ended 31 March 2023

1 Accounting Policies

The Sub-fund's accounting policies are disclosed on page 4.

2 Distribution Policies

The Sub-fund's distribution policies are disclosed on page 5.

3 Net capital (losses)/gains

	31/03/2023	31/03/2022
	£	£
The net capital (losses)/gains on investments during the year comprise:		
(Losses)/gains on non-derivative securities	(1,839,699)	4,571,380
Gains on derivative contracts	57,055	1,404
Currency exchange (losses)/gains	(15,684)	7,126
Activity charges	(3,963)	(7,456)
Net capital (losses)/gains	(1,802,291)	4,572,454

Net losses listed above of £(1,802,291) comprise net realised gains of £2,194,729 and net unrealised losses of £(3,993,057) (31/03/2022: Net gains listed above of £4,579,910 comprise net realised gains of £5,081,495 and net unrealised losses of £(501,585)). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

4 Revenue

	31/03/2023	31/03/2022
	£	£
Bank interest	57,333	3,692
Collective investment scheme distributions	74,621	46,592
Interest on debt securities	301,620	145,406
Overseas dividends	834,747	730,262
Property income distributions	24,129	17,177
UK dividends	299,882	268,772
Total revenue	1,592,332	1,211,901

5 Expenses

	31/03/2023	31/03/2022
	£	£
Payable to the Manager or Associate of the Manager		
Manager's periodic charge	169,794	168,482
Administration fees	31,880	35,026
Expense cap*	(32,607)	—
Safe custody fees	4,376	5,110
	173,443	208,618
Other expenses		
Audit fee	8,761	9,017
Financial Conduct Authority fee	20	222
Professional fees	5,013	2,491
Trustee's fee	17,353	18,104
Other expenses	—	285
	31,147	30,119
Total expenses	204,590	238,737

*Effective 1 April 2022, a discretionary cap of 5 basis points (bps) of net asset value, excluding ACD's periodic charge and any synthetic OCF charges relating to underlying holdings in CIS, on expenses was introduced for all share classes. The cap also includes expenses suffered for activity charges which are disclosed in Note 3, in addition to the expenses stated in this note.

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

Notes to the Financial Statements

(continued)

6 Taxation

	31/03/2023	31/03/2022
	£	£
a) Analysis of the tax charge		
Corporation tax	12,252	—
Overseas tax withheld	67,571	70,146
Total tax charge (see Note 6b)	79,823	70,146
b) Factors affecting the tax charge		
The tax assessed for the year is lower (31/03/2022: lower) than the standard rate of corporation tax in the UK for unit trusts (20%) (31/03/2022: 20%).		
The differences are explained below:		
Net revenue before taxation	1,387,586	973,062
Corporation tax @ 20%	277,517	194,612
Effects of:		
Indexation allowance	(3,213)	—
Movement in unrecognised tax losses	(20,201)	14,508
Overseas tax withheld	67,571	70,146
Revenue not subject to corporation tax	(241,851)	(209,120)
Total tax charge (see Note 6a)	79,823	70,146
c) Deferred tax		
No deferred tax asset has been recognised in the accounts in relation to tax losses of £Nil (31/03/2022: £101,005), as it is unlikely that there will be sufficient taxable profits in the future to utilise these amounts. The deferred tax asset not recognised is £Nil (31/03/2022: £20,201).		

7 Interest payable and similar charges

	31/03/2023	31/03/2022
	£	£
Interest	156	102
Total interest	156	102

8 Distributions

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

	31/03/2023	31/03/2022
	£	£
Interim Dividend Distribution 30 June	438,903	366,435
Interim Dividend Distribution 30 September	347,429	255,048
Interim Dividend Distribution 31 December	318,689	226,599
Final Dividend Distribution 31 March	365,172	243,882
	1,470,193	1,091,964
Amounts added on issue of units	(50,759)	(3,982)
Amounts deducted on cancellation of units	26,792	19,945
Net distributions for the year	1,446,226	1,107,927

9 Net movement between revenue after taxation and distributions

	31/03/2023	31/03/2022
	£	£
Net revenue after taxation	1,307,763	902,916
Capitalised fees less tax relief paid from capital	138,465	205,011
Equalisation on conversions	(2)	—
Net distributions for the year	1,446,226	1,107,927

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

Notes to the Financial Statements

(continued)

10 Debtors

	31/03/2023	31/03/2022
	£	£
Accrued revenue	142,803	125,190
Accrued expenses refundable by the Manager	1,768	—
Amounts receivable for issue of units	6,665,724	—
Amounts receivable on open currency contracts	1,155,586	962,072
Corporation tax recoverable	—	141
Overseas withholding tax reclaimable	95,205	70,268
Sales awaiting settlement	—	296,659
Total debtors	8,061,086	1,454,330

11 Cash & cash equivalents

	31/03/2023	31/03/2022
	£	£
Cash held at bank	11,242	4,663,486
Cash held in Liquidity Funds	1,166,265	6,363,123
Total cash & cash equivalents	1,177,507	11,026,609

12 Other creditors

	31/03/2023	31/03/2022
	£	£
Accrued expenses	33,396	34,923
Amounts payable for cancellation of units	—	5,520,000
Amounts payable on open currency contracts	1,153,745	964,089
Corporation tax payable	12,252	—
Purchases awaiting settlement	5,653,548	709,329
Total other creditors	6,852,941	7,228,341

13 Related parties

Manager's periodic charge, administration fees, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8.

The balance due from the Manager at 31 March 2023 in respect of these transactions was £6,645,598 (31/03/2022: The balance due to the Manager was £5,544,697).

Any investments in or transactions with other BNYM related party entities are individually identified in the portfolio statement.

14 Financial instruments

The objective of the Sub-fund is to maximise returns through capital growth and income.

Please refer to Note 4 of the notes to the applicable financial statements of all Sub-funds for a detailed description of the risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks. There were no further specific risks for this Sub-fund.

Market Price Risk

The value of the Sub-fund's investments which were exposed to market price risk was as follows:

	31/03/2023	31/03/2022
	£	£
Investments held at the balance sheet date	69,608,840	64,733,145

Market Price Sensitivity

The following table illustrates the sensitivity of the return and the net assets to an increase or decrease of 5% (31/03/2022: 5%) in the fair values of the Sub-fund's investments. This level of change is considered to be reasonably possible based on observation of market

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

Notes to the Financial Statements

(continued)

14 Financial instruments (continued)

Market Price Sensitivity (continued)

conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Sub-fund's investments at each balance sheet date.

	31/03/2023		31/03/2022	
	5% Increase in fair value	5% Decrease in fair value	5% Increase in fair value	5% Decrease in fair value
	£	£	£	£
Non-derivative securities	3,480,442	(3,480,442)	3,236,657	(3,236,657)
Net capital impact	3,480,442	(3,480,442)	3,236,657	(3,236,657)

Valuation of financial instruments

The categorisation of financial instruments in the tables below reflect the methodology used to measure their fair value.

	31/03/2023 Assets £	31/03/2023 Liabilities £
Level 1: Quoted prices	56,314,211	—
Level 2: Observable market data	13,296,456	—
Level 3: Unobservable data	—	—
	69,610,667	—
	31/03/2022 Assets £	31/03/2022 Liabilities £
Level 1: Quoted prices	56,961,799	—
Level 2: Observable market data	7,771,346	(15,704)
Level 3: Unobservable data	—	—
	64,733,145	(15,704)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3: Valuation techniques using unobservable inputs.

Counterparty credit risk

Counterparty exposure for non-exchange traded derivatives at 31 March 2023 is as follows:

Counterparty	Forward Currency Contracts £	Total £
UBS	1,827	1,827
Total	1,827	1,827

Counterparty exposure for non-exchange traded derivatives at 31 March 2022 is as follows:

Counterparty	Forward Currency Contracts £	Total £
Royal Bank of Scotland	(15,704)	(15,704)
Total Counterparty	(15,704)	(15,704)

Collateral received from these counterparties in respect of derivative contracts was £nil in the form of cash (31/03/2022: £nil).

Collateral pledged to these counterparties in respect of derivative contracts was £nil in the form of cash (31/03/2022: £nil).

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

Notes to the Financial Statements

(continued)

14 Financial instruments (continued)

Interest rate risk

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2023 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying Interest £	Total £
Investment assets	—	13,294,629	56,316,038	69,610,667
Investment liabilities	—	—	—	—
Total	—	13,294,629	56,316,038	69,610,667

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2022 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying interest £	Total £
Investment assets	—	7,771,346	56,961,799	64,733,145
Investment liabilities	—	—	(15,704)	(15,704)
Total	—	7,771,346	56,946,095	64,717,441

Interest rate sensitivity

Using duration analysis, an increase/decrease of 0.25% (31/3/2022: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.32% (31/3/2022: 0.23%) decrease/increase respectively in the portfolio valuation.

Foreign currency risk

The table that follows details the currency profile of the Sub-fund's assets:

	31/03/2023 Investments £	31/03/2023 Net Current Assets/(liabilities) £	31/03/2023 Total £	31/03/2022 Total £
Australian Dollar	216,495	—	216,495	200,956
Danish Krone	570,372	(47,420)	522,952	591,055
Euro	5,662,924	(504,983)	5,157,941	4,406,448
Hong Kong Dollar	1,951,789	—	1,951,789	1,660,877
Japanese Yen	2,536,938	11,510	2,548,448	2,584,899
New Zealand Dollar	(92,481)	320	(92,161)	(91,775)
Norwegian Krone	—	15,364	15,364	19,897
Swiss Franc	2,985,010	(299,546)	2,685,464	1,977,017
United States Dollar	34,894,118	(2,003,764)	32,890,354	32,280,451
Total	48,725,165	(2,828,519)	45,896,646	43,629,825

Foreign currency sensitivity

The following table illustrates the sensitivity of the return and net assets of the Sub-fund to a 5% strengthening or weakening of its base rate currency against other currencies to which there is significant exposure to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

31 March 2023

Currency	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
United States Dollar	32,890,354	1,731,071	(1,566,207)

31 March 2022

Currency	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
United States Dollar	32,280,451	1,698,971	(1,537,164)

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

Notes to the Financial Statements

(continued)

14 Financial instruments (continued)

Portfolio Statement by Credit Rating

as at 31 March 2023

	Market Value £ 31/03/2023	Total Net Assets (%) 31/03/2023	Total Net Assets (%) 31/03/2022
Investment grade securities	12,465,441	17.39	9.84
Below investment grade securities	829,188	1.15	1.30
Other assets	56,316,038	78.56	81.62
Portfolio of investments	69,610,667	97.10	92.76
Net current assets	2,078,865	2.90	7.24
Total net assets	71,689,532	100.00	100.00

15 Portfolio transaction costs

for the year ended 31 March 2023

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Equity instruments (direct)	13,309	3	0.02	5	0.04
Debt instruments (direct)	7,429	—	—	—	—
Collective investment schemes	885	0	0.00	0	0.00
Total purchases	21,623	3		5	
Total purchases including transaction costs	21,631				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Equity instruments (direct)	11,885	3	0.03	0	0.00
Debt instruments (direct)	1,115	—	—	—	—
Collective investment schemes	1,846	0	0.00	0	0.00
Total sales	14,846	3		0	
Total sales net of transaction costs	14,843				

Total transaction costs	6	5
Total transaction costs as a % of average net assets	0.01%	0.01%

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

Notes to the Financial Statements

(continued)

15 Portfolio transaction costs (continued)

for the year ended 31 March 2022

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Equity instruments (direct)	12,215	4	0.03	—	—
Debt instruments (direct)	1,816	—	—	—	—
Collective investment schemes	1,305	—	—	—	—
Total purchases	15,336	4		—	
Total purchases including transaction costs	15,340				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Equity instruments (direct)	20,919	7	0.03	1	0.00
Debt instruments (direct)	885	—	—	—	—
Total sales	21,804	7		1	
Total sales net of transaction costs	21,796				

Total transaction costs **11** **1**

Total transaction costs as a % of average net assets **0.02%** **0.00%**

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (31/03/2022: 0.13%).

16 Unit movement

for the year ended 31 March 2023

	Opening units	Units issued	Units cancelled	Units converted	Closing units
Sterling Accumulation	6,618,624	—	(7,008)	(383,984)	6,227,632
Sterling Income	10,320,913	153,015	(4,165,014)	465,803	6,774,717
Sterling Income 2	—	6,823,720	—	3,072,984	9,896,704
X (Income)	24,312,052	2,367,942	(585,562)	(1,902,541)	24,191,891

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

Notes to the Financial Statements

(continued)

17 Unitholder's funds

The Sub-fund currently has the below unit classes in issue. Each unit class suffers a different annual Manager's periodic charge which is payable to the Manager and is shown below:

	Manager's periodic charge
Sterling Accumulation	0.60%
Sterling Income	0.60%
Sterling Income 2	0.50%
X (Income)	0.00%

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

All unit classes have the same rights on winding up.

18 Post Balance Sheet Events

There were no events that occurred after 31 March 2023 which would require disclosure or adjustment to the financial statements of the Sub-fund.

BNY Mellon Charities Funds - Annual Report & Accounts

Statement of the Manager's Responsibilities and Directors' Statement

Statement of the Manager's Responsibilities

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Manager to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the BNY Mellon Charities Funds (the "Trust") as at the end of the year and of the net revenue or expense and the net gains and losses on the property of the Sub-fund for the year then ended. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and the Trust Deed;
- comply with applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on the basis that the Sub-fund will continue in operation unless it is inappropriate to presume this.

The Manager is responsible for the management of the Sub-fund in accordance with its Trust Deed, Prospectus and the Collective Investment Schemes Sourcebook. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Statement

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

C Judd

Director
BNY Mellon Fund Managers Limited

20 July 2023

S Cox

Director
BNY Mellon Fund Managers Limited

20 July 2023

BNY Mellon Charities Funds - Annual Report & Accounts

Statement of the Trustee's Responsibilities and Report of the Trustee

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of BNYM Charities Funds ("the Trust") in respect of the Report and Accounts of the Trust

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Trust documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Trust documents and the Regulations in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the Trust, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's Units and the application of the Trust's income in accordance with the Regulations and the Trust documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

**NatWest Trustee and
Depositary Services Limited**
Edinburgh

20 July 2023

BNY Mellon Charities Funds - Annual Report & Accounts

Independent Auditor's Report to the Unitholders of BNY Mellon Charities Funds

Opinion

We have audited the financial statements of BNY Mellon Charities Funds ("the Trust") for the year ended 31 March 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Statements for each Sub-fund, and the accounting policies of the Trust, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Sub-funds as at 31 March 2023 and of the net revenue and the net capital losses on the scheme property of the Trust comprising each of its Sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BNY Mellon Charities Funds - Annual Report & Accounts
Independent Auditor's Report to the Unitholders of BNY Mellon Charities Funds
(continued)

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 48, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus.
- We understood how the Trust is complying with those frameworks through discussions with the Manager and the Trust's administrators and a review of the Trust's documented policies and procedures.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact on amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a revenue or capital return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Trust.
- Due to the regulated nature of the Trust, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trust's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
20 July 2023

BNY Mellon Charities Funds - Annual 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.

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 the later of receipt of a completed renunciation form or the valuation point following receipt by the Administrator of the request to redeem.

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 Investment 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 31 January 2014, whose effective date of authorisation by the FCA was 31 January 2014.

Minimum investment & Charges

Information about minimum investment and charges including preliminary and annual charges can be found in the Prospectus on the Investment Manager's website:- www.newtonim.com.

Dealing arrangements

The Investment 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 Investment Manager considers such use of commission to be beneficial to the Sub-funds, as it enables the Investment Manager to obtain valuable research in a cost effective manner.

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 Investment Manager on the quality of research received.

The Investment 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 0844 892 2715 or writing to BNY Mellon Fund Managers Limited at the address stated on page 55.

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Additional information

(continued)

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.

Significant events

With effect from 31 August 2023, we will be making some minor clarifications to the Investment Policy of the Newton Sustainable Growth and Income Fund for Charities (Sub-fund), to more accurately describe the Investment Manager's sustainability criteria. There will be no change to the way the Sub-fund is managed and its risk profile is not expected to change because of these updates. The revised Investment Policy is below, noting the text in bold are new additions:

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.

For the avoidance of doubt, cash and liquid near cash assets, money market funds, currency related derivatives and derivatives used for hedging purposes are not required to meet the Investment Manager's sustainability criteria.

Further details in relation to the current sustainability criteria may be obtained by contacting the Manager and is available on the Manager's website at www.bnymellonim.com/ori. Investors should be aware that these criteria may change over time.

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.

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.com 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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Additional information

(continued)

Remuneration disclosure of the Manager

Directors remuneration of BNY Mellon Fund Managers Limited as at 31 March 2023.

Total amount of fixed and variable remuneration proportionate to the BNY Mellon Charities Funds for the year ending 31 March 2023 of the 5 directors and 1 senior manager of the Manager is disclosed below. This has been calculated on the basis of the BNY Mellon Charities Funds AUM in respect of the total AUM (including AIFs and non-AIFs) under the control of the Manager.

	Newton Growth and Income Fund for Charities £	Newton Sustainable Growth and Income Fund for Charities £
Fixed	7,243	718
Variable	6,665	660

The amount for senior managers and material risk takers does not differ to the total amount already disclosed, as all the staff of the Manager are considered senior managers.

As market or regulatory practice develops, BNY Mellon Fund Managers Limited may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. This may result in disclosures in relation to an AIF not being comparable to disclosures made in the prior year, or in relation to other BNY Mellon fund disclosures in that same year.

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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 (Resigned 2/3/2023)
S Cox
AM Islam (Resigned 11/1/2023)
C Judd (Chairperson) (Independent)
K Nickerson (Appointed 5/7/2023)
G Rehn
M Saluzzi (Independent)
C Stallard (Appointed 1/2/2023)
S Sumal (Appointed 23/5/2023)

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)

Investment 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.