


# RESPONSIBLE HORIZONS UK CORPORATE BOND FUND


A SUB-FUND OF BNY MELLON INVESTMENT FUNDS  
LEGAL ENTITY IDENTIFIER: 213800U3BJT170DN9D15

## SUSTAINABILITY GOAL

The objective of the Fund is to generate a return through a combination of income and capital returns, whilst taking environmental, social and governance (ESG) factors into account. It does so through investing mainly in sterling denominated (or hedged back to sterling) global fixed income securities issued by companies with a medium to high assessment of creditworthiness.

While pursuing its investment objective, the Fund invests in securities with sustainability (i.e. positive environmental and/or social) characteristics. In doing so, it seeks to achieve the following goals:













 Aiming to achieve net zero carbon emissions for the Fund's holdings in corporate fixed income securities by the end of 2050.

 Helping to finance the delivery of projects with positive environmental and/or social impacts.

## SUSTAINABILITY APPROACH

At least 80% of the Fund's portfolio is directly invested in corporate fixed income securities which demonstrate positive environmental and/or social characteristics. The assessment of whether a security is suitable for the Fund's portfolio is based on the Investment Manager's ESG ratings framework. The framework draws upon data from third-party providers and the Investment Manager's assessment of an issuer to determine its ESG rating. The rating aims to reflect the level of ESG risk faced by the issuer that could negatively affect its financial performance. The rating ranges from 1 (low risk) to 5 (high risk). The Fund seeks to positively allocate towards issuers with better ESG profiles (lower scores).

## KEY SUSTAINABILITY CHARACTERISTICS OF THE FUND'S INVESTMENTS

Where the Fund doesn't invest	 Where the Fund invests	
<p> Issuers involved in unsuitable products</p>	<p> Issuers assessed for net zero Minimum 65% of Fund's portfolio</p>	<p> Use of proceeds impact bonds Minimum 15% of Fund's portfolio</p>
<p>The Fund's portfolio will exclude direct investment in securities from issuers which the Investment Manager believes have material involvement in products that it considers unsuitable from a sustainability perspective. These include:</p> <ul style="list-style-type: none"> <li> Tobacco production</li> <li> Controversial weapon production</li> <li> Oil and gas</li> <li> Thermal coal mining and/or thermal coal power generation</li> </ul> <p>The full list of the exclusions currently applied can be found at <a href="https://www.bnymellonim.com/rh">https://www.bnymellonim.com/rh</a>.</p>	<p>This portion of the Fund's portfolio comprises investments the Investment Manager believes will enable the Fund to achieve net zero carbon emissions for its holdings in corporate fixed income securities by 2050.</p> <p>These securities may be from issuers the Investment Manager determines to fall within any of the following categories:</p> <p><b>Not currently committed</b> – issuers currently without a long-term goal consistent with achieving net zero by 2050 but that the Investment Manager believes over time will become committed to achieving net zero.</p> <p><b>Committed</b> – issuers with long term goals consistent with achieving net zero by 2050.</p> <p><b>Aligning</b> – issuers with short- and medium-term emissions reduction targets and have quantified plans to deliver against these targets.</p> <p><b>Aligned</b> – issuers whose capital expenditure is consistent with achieving net zero by 2050.</p> <p><b>Achieving</b> – issuers with clear oversight of net zero transition plans and executive remuneration linked to delivering emissions reduction targets.</p> <p>The Investment Manager aims to increase the Fund's allocation to issuers that are at least committed to achieving net zero over time.</p>	<p>This portion of the Fund's portfolio comprises corporate fixed income securities whose proceeds will be used to fund, in full or in part, projects with a positive environmental and/or social impact (use of proceeds impact bonds).</p> <p>The initiatives financed by the securities' proceeds are aligned to at least one of the UN Sustainable Development Goals. These are a series of 17 goals whose focus includes climate change mitigation, natural resource protection, and social advancement and equality.</p> <p>To determine which securities are eligible for inclusion in the Fund's portfolio, the Investment Manager uses industry standards and its own research to rate potential investments as either:</p> <ul style="list-style-type: none"> <li> <b>Dark green</b> – best in class</li> <li> <b>Light green</b> – some weakness in sustainability criteria. These are securities that pass the Investment Manager's assessment and are aligned to industry principles, but do not score as highly as dark green-rated bonds</li> <li> <b>Red</b> – don't invest</li> </ul> <p>Only those securities rated dark green and light green are eligible for inclusion in the Fund's portfolio.</p>
<p> Issuers with an ESG rating of 5</p> <p>Securities from corporate issuers that have an ESG rating of 5 (high risk) are excluded from the Fund's portfolio.</p>	<p>All investments in corporate fixed income securities must be from issuers which do not cause any material or negative environmental or social outcomes and which demonstrate good governance.</p>	

## OTHER TYPES OF INVESTMENTS HELD BY THE FUND

The Fund may also invest in securities that do not demonstrate the sustainability characteristics described above. These include government bonds; cash, near-cash and money market instruments; transferable securities; equity-linked securities; collective investment schemes and derivatives. These securities may be held for the purposes of generating investment returns and for efficient portfolio management.

NO  
SUSTAINABLE  
INVESTMENT  
LABEL

## SUSTAINABILITY LABEL

Sustainable investment labels help investors find products that have a specific sustainability goal.

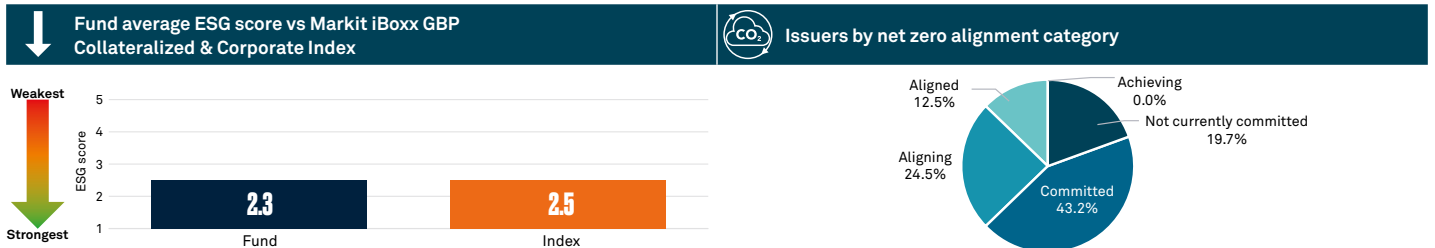
This product does not have a UK sustainable investment label. This is because, while the Fund has sustainability characteristics, it does not seek a specific sustainability outcome as part of its investment objective.

## SUSTAINABILITY METRICS

The Investment Manager considers the following metrics useful for investors in understanding the sustainability characteristics of the Fund:

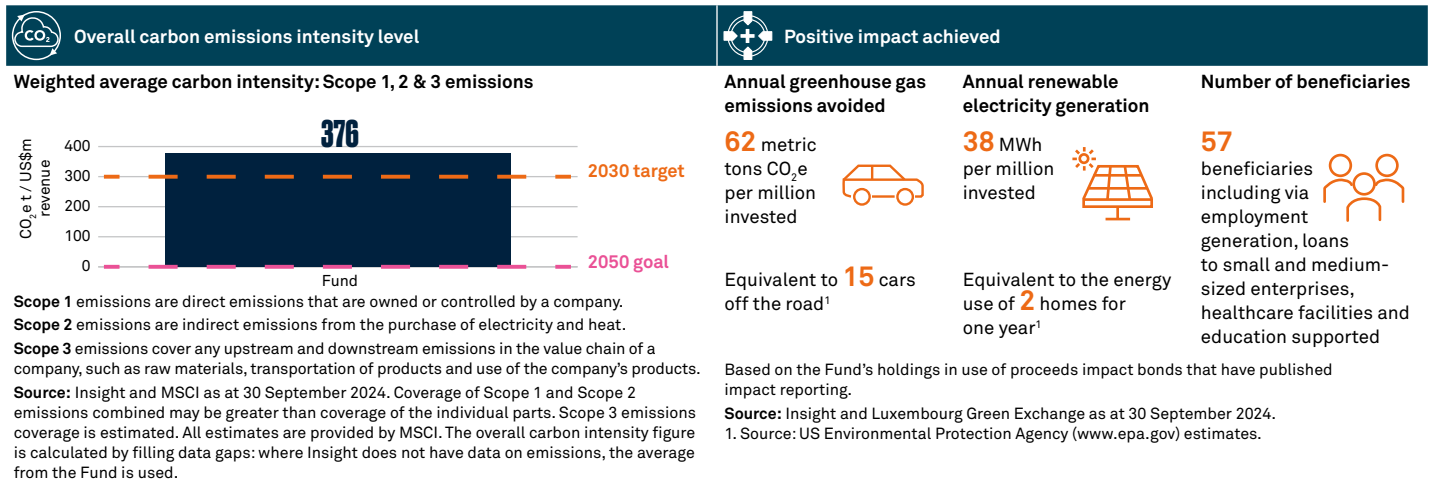
Overall ESG score	Issuers by net zero alignment category	Overall carbon emissions intensity level	Positive impact achieved
The Fund aims to maintain a better (lower) overall ESG score than that of the Markit iBoxx GBP Collateralized & Corporate Index, based on the Investment Manager's scoring methodology. The index is representative of the Fund's investment universe for its corporate fixed income holdings.	The Fund currently aims for three-quarters of its 65% (minimum) allocation to corporate fixed income securities to be from issuers at least committed to achieving net zero by 2050. The Fund will increase this percentage year-on-year. By the end of 2030, the Fund aims for nine-tenths of its 65% (minimum) allocation to be from issuers at least committed to achieving net zero by 2050.	For its allocation to corporate fixed income securities, the Fund currently targets a weighted average carbon emissions intensity level lower than 435 tonnes of CO <sub>2</sub> per million US\$ of revenue. The Investment Manager aims to decrease the carbon intensity level year-on-year. By the end of 2030, the Fund aims to achieve a carbon intensity level lower than 300 tonnes of CO <sub>2</sub> per million US\$ of revenue.	The degree of positive impact achieved by the Fund's holdings in use of proceeds impact bonds, including: <ul style="list-style-type: none"> <li>Annual greenhouse gas emissions avoided</li> <li>Annual renewable energy generated</li> <li>Number of beneficiaries</li> </ul>

### THE FUND'S PROGRESS TOWARDS ACHIEVING POSITIVE ENVIRONMENTAL AND SOCIAL OUTCOMES



Source: Insight as at 30 September 2024. The Fund assessment includes 176 bonds and 126 issuers. The overall ESG score is the average of Insight's Prime ESG ratings summed in proportion to each security's allocation within the Fund's portfolio (weighted).

Chart shows percentage breakdown of Fund's current allocation to issuers assessed for net zero by alignment category (86.1% of Fund's portfolio).  
Source: Insight as at 30 September 2024.



### ADDITIONAL INFORMATION

Further information relating to the sustainability characteristics of this Fund is available in the Prospectus, which can be viewed at <https://digital.feprecisionplus.com/documents/bnymukindividual/en-gb/OYPS/PR>.

For other key information relating to this Fund, including details on its objective and investment policy, risk and reward profile, charges, past performance, and other practical information, please refer to the Key Investor Investment Document (KIID) available at <https://www.bny.com/investments/uk/en/individual/funds-centre.html>.

The value of investments can fall. Investors may not get back the amount invested.

Please refer to the prospectus and the KIID before making any investment decisions.

### GLOSSARY

**Bond:** A loan of money by an investor to a company or government for a stated period of time in exchange for a fixed interest rate payment and the repayment of the initial amount at its conclusion.

**Capital expenditure:** The money spent by a business or organisation on acquiring or maintaining fixed assets, such as land, buildings and equipment.

**Capital return:** The gain received from an investment.

**Carbon dioxide equivalent (CO<sub>2</sub>e):** A measurement of the total greenhouse gases emitted, expressed in terms of the equivalent measurement of carbon dioxide.

**Controversial weapons:** Weapons that cause indiscriminate or disproportionate harm. For example, anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons.

**Derivatives:** Financial contracts, set between two or more parties, that derive their value from an underlying asset, group of assets, or index.

**Efficient portfolio management:** Generally, an investment in derivatives with the aim of reducing risk or costs for a fund.

**Environmental, social and governance (ESG):** Elements or factors of responsible investment consisting of a set of standards through which a company's operations can be screened prior to investing.

**Equities:** Shares issued by a company, representing an ownership interest.

**Fixed income:** Broadly refers to those types of investment security that pay investors fixed interest payments until their maturity date.

**Greenhouse gas emissions:** Emissions from gases that contribute to the natural greenhouse effect. For example, carbon dioxide, methane and nitrous oxide.

**Hedge:** An investment with the aim of offsetting potential losses incurred by a related investment.

**Index:** A portfolio of investments representing a particular market or a portion of it.

**Money market instruments:** Short-term financial instruments that are used for lending and borrowing and can readily be converted to cash (e.g. certificates of deposit).

**Megawatt hour (MWh):** A megawatt hour equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output.

**Net zero:** An international initiative to achieve total greenhouse gas emissions that are equal to the emissions removed from the atmosphere by 2050. As a result, limiting global warming and climate change.

**Portfolio:** A collection of investments.

**Return:** The gain or loss from an investment over a stated period of time.

**Securities:** Tradable financial assets such as shares in a company or fixed income securities also known as a bonds.

**Weighted average carbon emissions intensity:** A measure of carbon emissions normalised by revenues.

This Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority. BNY Mellon Fund Managers Limited is authorised in the United Kingdom and regulated by the Financial Conduct Authority.

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