

## **Mitteilung an alle Anteilseigner der BNY Mellon Fonds:**

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

<b>GB00B5MF4S35</b>	<b>BNY Mellon Managed II Absolute Insight - Accum AP GBP CAP</b>
<b>GB00B1SVX803</b>	<b>BNY Mellon Managed II Absolute Insight - Accum FP GBP CAP</b>
<b>GB00B1GJ9N38</b>	<b>BNY Mellon Investment Multi Asset Diversified Return Accum GBP CAP</b>
<b>IE00B4Z6HC18</b>	<b>BNY Mellon Global Real Return EUR - Accum A EUR CAP</b>
<b>IE00B70B9H10</b>	<b>BNY Mellon Global Real Return EUR - Accum W EUR CAP</b>
<b>IE00B504KD93</b>	<b>BNY Mellon Global Real Return USD - Accum Ptg A USD CAP</b>
<b>GB0001642635</b>	<b>BNY Mellon Investment Real Return - A GBP DIS</b>
<b>GB00B7VVXF60</b>	<b>BNY Mellon Investment Real Return - Accum B GBP CAP</b>
<b>GB00B7T1DJ29</b>	<b>BNY Mellon Investment Real Return - B GBP DIS</b>

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MoventumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Moventum ausgewiesenen Gebühren und die auf MoventumOffice angegebenen Annahmeschlusszeiten gelten.



BNY MELLON

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28th July 2021

**This letter contains important information about your investment in the Absolute Insight Fund (the Sub-Fund), a sub-fund of the BNY Mellon Managed Funds II.**

We are writing to let you know of some changes we are making to the Sub-Fund. The changes do not require shareholder approval and you do not need to take any action.

The changes concern the Sub-Fund's measure of "cash" as a benchmark.<sup>1</sup> Changing how we measure performance against "cash" results in changes to the Sub-Fund's objective and policy (including the performance benchmark section). It also affects the hurdle rate (the minimum return required before the performance fee is triggered) used for the calculation of performance fees for relevant share classes.

#### **Benchmark change**

The interest rate benchmark GBP LIBOR<sup>2</sup> is being wound down and will cease to exist as of 31 December 2021. As such, any fund citing GBP LIBOR as a benchmark must find an alternative before that time.

The Sub-Fund currently uses 3 month GBP LIBOR -0.125% as the performance measure of "cash". From 1 October 2021, we intend to replace this with the SONIA (Sterling Overnight Index Average) (90 day compounded) index, a risk-free rate for sterling markets run by the Bank of England.

In the best interests of shareholders in the Sub-Fund, we have chosen SONIA (90 day compounded) as the replacement for 3 month GBP LIBOR because we believe it is a quality measurement. It is also in line with recommendations from industry-led working groups looking at LIBOR replacements.

Replacing LIBOR with SONIA requires an amendment to the investment objective and policy of the Sub-Fund. A comparison of the current and proposed investment objective and policy is attached in the appendix to this letter.

#### **Hurdle rate for performance fee calculations**

Currently a performance fee of 10% of any outperformance of the hurdle rate (GBP 3 month LIBOR minus 0.125%) is applicable for the Ap, Fp, Sp and W share classes. From the 1 October, the hurdle rate will be replaced with SONIA (90 day compounded).

The current deduction of 0.125% from the cash rate LIBOR will not apply to the proposed replacement cash rate SONIA. The decision to not make the same deduction is to ensure that in normal market conditions investors do not pay more than they would otherwise have done had LIBOR been used as the benchmark.

<sup>1</sup> The benchmark – a point of reference, such as a specified index or peer group, used as a measure in the comparison of performance.

<sup>2</sup> The London Inter-bank Offered Rate is an interest-rate average calculated from an estimate of what a bank would be charged were it to borrow from another bank. It was considered one of the primary benchmarks for short-term interest rates around the world.



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However, please note, were SONIA to significantly underperform LIBOR, this change could result in increased performance fees.

	Current Hurdle Rate	Proposed Hurdle Rate
Hurdle Rate	percentage growth in Sterling 3 month LIBOR (as defined by the British Banker's Association <a href="http://www.bba.org.uk">www.bba.org.uk</a> ) minus 0.125% per annum as averaged over the performance Period (using the rate published at each Valuation Point).	percentage growth in SONIA (90 day compounded) per annum as averaged over the Performance Period (using the rate published at each Valuation Point).

Should you require more information on progress of our LIBOR transition, please refer to the BNY Mellon Notice of LIBOR replacements published on the [bnymellonim.com](http://bnymellonim.com) website.

#### **What's next?**

These changes to the Sub-Fund do not require shareholder approval and you do not need to take any action. The changes to the Sub-Fund will be made on or around 1 October 2021.

Shareholders who do not wish to remain invested in the Sub-Fund as a result of these changes may redeem their shares free of charge. If, when you purchased your shares, you used the services of a financial adviser and you are uncertain as to how to respond to this document, we urge you to seek their advice.

If you have any questions, please contact our client service centre in the UK using the details given above.

Yours faithfully,

**Gerald Rehn**

Director,  
BNY Mellon Fund Managers Limited  
Authorised Corporate Director of BNY Mellon Managed Funds II

To help us continually improve our service and in the interest of security, we may monitor and/or record your telephone calls with us.



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July 2021

**IMPORTANT INFORMATION ABOUT THE ABSOLUTE INSIGHT FUND A SUB-FUND OF BNY MELLON MANAGED FUNDS II.**

Dear Distributor,

**No action is required from your clients.**

We are writing to you as an adviser with clients invested in the Absolute Insight Fund a sub-fund of BNY Mellon Managed Funds II.

We are notifying shareholders of a change to performance benchmark and a hurdle rate as a result of a world-wide initiative to phase out London Interbank Offered Rate (LIBOR) used to represent short-term interest rates. The amendment to the Supplement will be made on or around 1<sup>st</sup> of October 2021.

Details of the changes are enclosed with this letter.

If, having read the enclosed document, you have any questions, please contact our client service centre, which is open Monday to Friday, 8.30am until 5.30pm, excluding bank holidays.

Alternatively, please contact your usual client services contact.

Yours faithfully,

*Michael Beveridge*

Head of UK Intermediary Distribution  
BNY Mellon Investment Management EMEA Limited

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## Appendix

	Current	Proposed
<b>Objective</b>	The Sub-Fund seeks to deliver a positive absolute return in all market conditions on a rolling 12 month basis (meaning a period of 12 months, no matter which day you start on). In addition, the Sub-Fund aims to match or exceed <del>3-month GBP LIBOR - 0.125%</del> on a rolling 12 month basis after fees and to deliver cash ( <del>3-month GBP LIBOR - 0.125%</del> ) +4% p.a. (before fees) on a rolling annualised five year basis (meaning a period of five years, no matter which day you start on).	The Sub-Fund seeks to deliver a positive absolute return in all market conditions on a rolling 12 month basis (meaning a period of 12 months, no matter which day you start on). In addition, the Sub-Fund aims to match or exceed SONIA (90 day compounded) on a rolling 12 month basis after fees and to deliver cash (SONIA (90 day compounded)) +4% p.a. (before fees) on a rolling annualised five year basis (meaning a period of five years, no matter which day you start on).
<b>Policy (12 month)</b>	The Sub-Fund uses <del>3-month GBP LIBOR - 0.125%</del> as a target set for the Sub-Fund's performance to match or exceed on a rolling 12 month basis after fees. The Authorised Corporate Director (ACD) considers <del>3-month GBP LIBOR - 0.125%</del> to be an appropriate target over a 12 month period as it is representative of cash.	The Sub-Fund uses SONIA (90 day compounded) as a target set for the Sub-Fund's performance to match or exceed on a rolling 12 month basis after fees. The Authorised Corporate Director (ACD) considers SONIA (90 day compounded) to be an appropriate target over a 12 month period as it is representative of cash.
<b>Policy (5 years)</b>	The Sub-Fund uses cash ( <del>3-month GBP LIBOR - 0.125%</del> ) +4% p.a. as a target set for the Sub-Fund's performance to match on a rolling annualised five year basis before fees. The ACD considers cash ( <del>3-month GBP LIBOR - 0.125%</del> ) +4% to be an appropriate target over a rolling annualised five year basis as it is consistent with the risk taken in the Sub-Fund.	The Sub-Fund uses cash (SONIA (90 day compounded)) +4% p.a. as a target set for the Sub-Fund's performance to match on a rolling annualised five year basis before fees. The ACD considers cash (SONIA (90 day compounded)) +4% to be an appropriate target over a rolling annualised five year basis as it is consistent with the risk taken in the Sub-Fund.
<b>Performance Benchmark</b>	As stated above, <del>3-month GBP LIBOR - 0.125%</del> is set as a target for the Sub-Fund's performance to match or exceed on a rolling 12 month basis after fees. The ACD considers <del>3-month GBP LIBOR - 0.125%</del> to be an appropriate target over a 12 month period as it is representative of cash. The Sub-Fund uses cash ( <del>3-month GBP LIBOR - 0.125%</del> ) +4% p.a. as a target set for the Sub-Fund's performance to match on a rolling annualised five year basis before fees. The ACD considers cash ( <del>3-month GBP LIBOR - 0.125%</del> ) +4% to be an appropriate target over a rolling annualised five year basis as it is consistent with the risk taken in the Sub-Fund.	As stated above, SONIA (90 day compounded) is set as a target for the Sub-Fund's performance to match or exceed on a rolling 12 month basis after fees. The ACD considers SONIA (90 day compounded) to be an appropriate target over a 12 month period as it is representative of cash. The Sub-Fund uses cash (SONIA (90 day compounded)) +4% p.a. as a target set for the Sub-Fund's performance to match on a rolling annualised five year basis before fees. The ACD considers cash (SONIA (90 day compounded)) +4% to be an appropriate target over a rolling annualised five year basis as it is consistent with the risk taken in the Sub-Fund.



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