BNY Mellon Dynamic Total Return Fund

MANAGER COMMENTARY | Q3 2025

CLASS A **AVGAX** CLASS C **AVGCX** CLASS I **AVGRX**

Market Review

Global equities rallied during the quarter, bolstered by optimism over a Federal Reserve (the "Fed") rate cut, strong corporate earnings and renewed enthusiasm for artificial intelligence. The MSCI All Country World Index (ACWI) Index gained 7.6% during the quarter, hitting a series of all-time highs. Fed policymakers delivered a 25-basis-point (bp) cut in September, lowering the target range to 4.00% to 4.25%. The S&P 500® Index increased by 8.12% during the quarter. S&P 500 earnings growth was 12.7% in the second quarter, exceeding expectations of 7.2%, and 80% of companies beat earnings estimates. Among other major equity benchmarks, the MSCI EAFE Index increased by 4.77%, while the MSCI Emerging Markets Index increased by 10.64%. Among developed international markets Japan was a top performer after sentiment strengthened on US rate cut expectations, while domestic political developments—including anticipated party leadership changes—lifted risk appetite. The MSCI Europe ex-UK Index was the laggard of the quarter, delivering 2.8%. Sovereign bond market performance was mixed, with US Treasury yields ending the quarter lower while UK, German, and Japanese yields all rose.

BNY Mellon Dynamic Total Return Fund (Class A at NAV) returned 2.45% during the third quarter of 2025.

Key Contributors (Q3 25)

Tactical asset allocation: Long exposure to cash, global equities and global sovereign bonds, and cash helped tactical asset allocation add 1.9%.

Equity index long/short: Overweights to the US and Spain helped the equity index long/short allocations contribute 0.6%. US stocks were supported by the resumption of US rate cuts with potential for further easing in the coming months, improved news flow on trade tensions, and a more favorable economic backdrop. The strong gain in Spanish stocks (+12.9%) was driven by a stronger-than-expected economic performance, credit rating upgrades, robust domestic demand, and a thriving tourism sector..

Commodity long/short: Positioning among commodities contributed 0.4% due to an overall short position in the agricultural sector and an overall long position in energy.

Key Detractors (Q3 25)

Bond long/short: Positioning among sovereign bonds cost -0.2% due to an overweight in UK gilts. Gilt yields were higher over the quarter despite a 25 bp rate cut by the Bank of England as higher inflation and concerns about the UK's fiscal stability weighed on prices.

available only to certain eligible investors, and the historical results achieved by the fund's respective share classes.

Past performance is no guarantee of future results.

Risks

Bonds are subject to interest-rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. **Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries. **Currencies** can decline in value relative to a local currency, or, in the case of hedged positions, the local currency will decline relative to the currency being hedged. These risks may increase fund volatility. **Short sales** involve selling a security the portfolio does not own in anticipation that the security's price will decline. Short sales may involve risk and leverage, and expose the portfolio to the risk that it will be required to buy the security sold short at a time when the security has appreciated in value, thus resulting in a loss. **Commodities** contain heightened risk, including market, political, regulatory, and natural conditions, and may not be suitable for all investors. **Derivatives and commodity-linked derivatives** involve risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value and there is the risk that changes in the value of a derivative held by the portfolio will not correlate with the underlying instruments or the portfolio's other investments. Commodity-linked derivative instruments may involve additional costs and risks, including commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The use of derivatives involves risk different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value and there is risk that changes in the value of a derivative held by the portfolio will not correlate with the underlying instruments or the portfolio's other investments.

The S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. This is not a benchmark for the fund. **The MSCI All Country World (ACWI) Index** measures the performance of large and mid-cap stocks in both developed and emerging markets around the world. The **Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE®) Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure equity performance in developed markets, excluding the United States and Canada. The index consists of select designated MSCI national developed market indices. The **MSCI Emerging Markets Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure the equity performance in global emerging markets. The index consists of 22 MSCI emerging-market national indices. The MSCI Europe ex UK Index is an equity benchmark that tracks large and mid-cap companies in developed markets in Europe, specifically excluding the United Kingdom. An investor cannot invest directly in any index.

The fund's investment adviser is BNY Mellon Investment Adviser, Inc. (BNYIA). BNYIA has engaged its affiliate, Newton Investment Management North America, LLC (NIMNA), to serve as the fund's sub-adviser. NIMNA has entered into a sub-sub-investment advisory agreement with its affiliate, Newton Investment Management Limited (NIM), to enable NIM to provide certain advisory services to NIMNA for the benefit of the fund.

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