BNY Mellon Dynamic Total Return Fund

MANAGER COMMENTARY | Q2 2025

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

Market Review

Global equities rallied despite a sharp decline at the start of the quarter after US President Trump unveiled his “Liberation Day” trade tariffs on April 2. Equity markets recovered following a 90-day suspension of most tariffs to allow for trade talks. The MSCI World Index rose 11.5%, marking its best quarter since late 2020. Sovereign yields were lower at the front end while curves across all major government bond markets steepened on concerns about fiscal stability. Central bank policy diverged further: easing inflation allowed the European Central Bank (ECB) to cut rates in April and June, bringing the deposit rate down to 2.0%, while the US Federal Reserve (“fed”) maintained caution amidst tariff uncertainty and its impact on inflation, leaving the fed funds rate unchanged.

BNY Mellon Dynamic Total Return Fund (the “fund”, Class A at NAV) (the’fund”) returned 1.32% during the second quarter of 2025. The fund's total returns are compared to a Hybrid Index to show how the fund's performance compares to a mix of equities and bonds.

Second Quarter Positive Contributors

Tactical asset allocation: Long exposure to global equities and cash helped tactical asset allocation add 3.1%. Exposure to emerging market debt (local currency) also added to the return as the US dollar weakened and emerging market rates declined; long exposure to global sovereigns also contributed return**.**

Equity index long/short: Positioning among UK and Eurozone equities helped equity index long/short contribute 0.5% to excess returns.

Bond index long/short: Bond index long/short contributed 0.4% from an overweight to Australian bonds and an underweight to US Treasuries. Weak growth and easing inflation pressures pushed Australian yields lower while longer term US Treasuries yields were modestly higher as the market digested the implications of the “Big Beautiful Bill’ budget conciliation law.

Second Quarter Negative Contributors

Currency long/short: Currency long/short detracted 2.3%. Amid rising policy uncertainty and unexpected weaker US economic data, the US dollar fell sharply during the quarter, causing short positions in the Swiss franc, euro and Canadian dollar to detract.

Cross-asset trend: Cross-asset trend declined 0.5% after both equities and bonds experienced a steep decline and recovery over the quarter.

Market Outlook

The fund’s risk budget maintains its focus on both macro directional and macro relative value. Within the directional category, the fund’s is slightly long equities, bonds, and emerging market debt (EMD) local currency. The Multi-Asset Servicing team’s (MAS) forecast for the equity premium and the term premium are both positive but are both below their long-term averages. The current high cash rates effectively eat into the risk premium and further explain why the relative attractiveness of the premiums are low. The S&P 500 consensus earnings-per-share growth forecast over the next 12 months is approximately 11%, the MAS proprietary forecast has consistently forecasted approximately 8%, suggesting US earning headwinds for the remainder of 2025.

Within the equity index long/short, the fund is long US equity which is balanced with short positions in Australia, Italy and Germany. This is based on the relatively high earnings revision in the US relative to the core Europe and Australia. The fund is also long Japanese and Canadian equity markets. After a three-year bull market in

US equities, investors are reacting to high valuations in the US and relatively attractive valuations in core Europe. This shift is anticipated to continue throughout 2025 driven by valuations and the macro backdrop.

Within the bond long/short component the fund maintains short exposure in German bunds and US Treasuries which is driven by their relatively low term premium and negative carry. Attractive bond markets include the UK and Australia which are more attractive based on their relatively higher yields and positive carry.

Within currencies, the big story continues to be the weakness in the US dollar and the extent to which the Trump Administration's policies may affect the value of the dollar. The fund is long the US dollar; however the largest long positions are in the UK pound and Japanese yen. The pound position is supported by relatively attractive leading economic indicators and carry while the Japanese yen position is supported by a positive skew and relatively strong buying power.

Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. To obtain a prospectus, or a summary prospectus, if available, that contains this and other information about a fund, contact your financial professional. For more information, call 1-800-373-9387 or visit bny.com/investments. Read the prospectus carefully before investing. Investors should discuss with their financial professional the eligibility requirements for Class I shares, which are 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 World Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets. The **Bloomberg Commodity Index (BCOM)** is a widely used benchmark that tracks the performance of a basket of 21 commodities, with broad exposure to various sectors like energy, grains, industrial metals, precious metals, livestock, and soft commodities. 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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