

BNY Mellon Global Equity Income Fund

MANAGER COMMENTARY | Q2 2025

Class A **DEQAX** Class I **DQEIX**

PERFORMANCE SUMMARY

The market moved to a risk-on environment during the second quarter, boosting enthusiasm for technology, notably artificial intelligence (AI)-related stocks, while traditionally defensive sectors like consumer and health care underperformed. Health care also continued to be affected by tariff and pricing concerns within the pharmaceutical industry.

Against this backdrop, the fund underperformed its performance benchmark. The significant underweight to technology dragged most on performance, followed by an overweight to health care, which has been the worst performing sector over the last 12 months. However, the team continues to believe that innovation that saves health-care systems money should be rewarded; thus, the team remain overweight. Given the uncertainty, the team have reduced pure pharmaceutical exposure in favor of medical technology and services. As the fund employs an income strategy, short-term market rotations are likely to cause volatility in the short-term relative performance of the fund. The team believes the fund is well-placed to deliver attractive returns over the longer term.

“A sector-by-sector analysis of fund holdings has underscored the fact that it is relatively well positioned with respect to tariffs.”

BNY Mellon Global Equity Income Fund underperformed its benchmark index, the FTSE World Index (“the index”), during the second quarter of 2025.

Average Annual Total Returns (6/30/25)

Share Class / Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Class A (NAV) / 12/29/06	5.22%	13.47%	19.11%	12.44%	11.95%	9.18%
Class A (5.75% max. load)	-0.85%	6.95%	12.29%	10.24%	10.63%	8.54%
Class I (NAV) / 12/29/06	5.28%	13.62%	19.34%	12.74%	12.24%	9.48%
FTSE World Index	12.15%	10.50%	16.84%	18.66%	14.89%	10.97%

The performance data quoted represents past performance, which is no guarantee of future results. Share price and investment return fluctuate, and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Performance for periods less than 1 year is not annualized. Go to [bny.com/investments](https://www.bny.com/investments) for the fund's most recent month-end returns. Returns assume the reinvestment of dividends and capital gains, if any.

Total Expenses (6/30/25)

Share Class	Gross ¹	Net ²
Class A	1.24%	1.24%
Class I	0.96%	0.96%

¹Gross expenses is the total annual operating expense ratio for the fund before any fee waivers or expense reimbursements. ²Net Expenses is the total annual operating expense ratio for the fund, after any applicable fee waivers or expense reimbursements. The Net Expenses is the actual fund expense ratio applicable to investors. Not all classes of shares may be available to all investors or through all broker-dealer platforms.

CONTRIBUTORS AND DETRACTORS

The significant underweight to technology dragged most on performance, followed by an overweight to health care. The fund cannot own mega-cap technology companies NVIDIA, Microsoft and Broadcom, as they are low-yielding stocks, and these were among the biggest individual detractors from relative returns.

Health-care firms **Sanofi** and **Bristol-Myers Squibb** were also large detractors over the quarter. Both suffered from the general negative sentiment towards health-care stocks, as well as the move away from defensive sectors. In addition, Sanofi released disappointing trial results for its new lung disease drug. The drug produced good results in one trial but unsatisfactory results in a second trial, which needs to be repeated. Despite good data for Bristol-Myers schizophrenia drug, Copenfy, the launch disappointed investors. However, the team remains confident in the prospects for the company and used the weakness to add to the position. More broadly, the team continue to believe that innovation that ultimately saves stretched health-care systems money should be rewarded; thus, the team remain overweight the sector.

Positive contributors included **BAE Systems**. The UK aerospace, military and information security company continued to benefit from European government pledges to significantly increase defence spending. In addition, the Liberation Day tariffs imposed on US imports created a tailwind for BAE, as more than half of its manufacturing facilities are based in the US, with a similar proportion of sales to the US Department of Defence. These operations and sales are not affected by any trade tariffs.

Tokyo Electron and Johnson Controls contributed positively. Not holding Apple or UnitedHealth, which were notably weak over the quarter, also contributed.

MARKET OUTLOOK

Valuation risk in equity markets remains high, with the largest companies in the market trading on very high multiples. At the same time, we believe the valuations of income stocks remain compelling. Stocks offering income at above-average rates continue to trade at a discount to low-income stocks. Although recent moves in the market have begun to recognize this valuation opportunity, the discount remains at an equivalent level to that seen in 2000, when the last technology bubble burst. In addition, concentration risk remains high; the Magnificent Seven technology stocks (Apple, Alphabet, Meta, Amazon, Microsoft, Nvidia and Tesla) continue make up a significant proportion of the FTSE World Index. Historically, when markets have become very concentrated, future returns have disappointed.

Given its strict yield discipline, the fund has zero weightings in these stocks. Evolving US trade policy is likely to continue to induce market volatility. Growth stocks are generally more affected in elevated volatility environments as investors tend to switch to stable, income-producing stocks in sectors such as health care, utilities and consumer staples, which are the key overweight positions in the fund. This sets the fund in good stead versus the wider market in the current challenging investment landscape. Furthermore, a sector-by-sector analysis of fund holdings has underscored the fact that it is relatively well positioned with respect to tariffs. There is a high degree of 'local to local' when it comes to manufacturing and sales, which lessens the impact that trade tariffs can exert. Many of the remaining holdings that have a higher exposure to cross-geographic production have been implementing mitigation steps since the US election in November. As an income strategy, the fund is positioned differently to the global equity market; short-term market rotations are likely to cause volatility in short-term

Top 10 Holdings (6/30/25)	%
CME Group, Cl. A	3.54
Cisco Systems	2.94
Medtronic	2.60
AIA Group	2.45
Industria De Diseno Textil Inditex	2.36
Sanofi	2.30
Dominion Energy	2.22
Starbucks	2.20
Phillips	2.16
Siemens	2.15
The holdings listed should not be considered recommendations to buy or sell a security. Large concentrations can increase share price volatility.	

relative fund performance. The team believes the fund is well-placed to deliver attractive returns over the longer term.

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 and Y 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

The use of **derivatives** involves 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. **Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, among other factors, 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.

Asset allocation and diversification cannot ensure a profit nor protect against a loss.

Index Definitions

The **FTSE World Index** is a market-capitalization weighted index representing the performance of the large and mid cap stocks from the Developed and Advanced Emerging segments of the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalization. Investors cannot invest directly in any index.

Definitions

Q is quarter. **NAV** is Net Asset Value. **YTD** is Year to Date. **FDIC** is Federal Deposit Insurance Corp. The **price-to-earnings ratio** (P/E) measures a company's current share price relative to its per-share earnings. The **price-to-book ratio** (P/B) considers how a stock is priced relative to the book value of its assets. **Sticky inflation** refers to a situation where prices and wages resist quick adjustments to changes in demand or supply, leading to persistent inflation even when underlying economic conditions are improving. The **Magnificent 7** comprises seven of the largest technology-centered growth stocks: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. Investors cannot invest directly in any index. On April 2, 2025—a date President Trump proclaimed “**Liberation Day**”—the administration announced the most sweeping tariff hike since the 1930s. **Valuation risk** refers to the potential for losses stemming from inaccurate or unreliable valuation of assets or liabilities.

As of 6/30/25 the companies mentioned represented 7.65% of the fund's portfolio in the aggregate. The holdings listed should not be considered recommendations to buy or sell a particular security. Other holdings may not have performed as well as some of those listed herein. Portfolio composition is subject to change at any time.

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