BNY Mellon Global Real Return Fund

MANAGER COMMENTARY | Q2 2025

Class A **DRRAX** Class I **DRRIX**

PERFORMANCE SUMMARY

The quarter started with the new US administration's 'Liberation Day' and ended with a tariff pause. A significantly weaker US dollar, a rotation of equity ownership out of the US, and geo-political risks led to higher risk premiums. Despite this uncertainty, equity markets rallied from the tariff lows to new highs across the board.

The fund performed positifvely during the quarter. The return-seeking layer benefited from stock selection and sector exposures, and the stabilizing layer rose on US dollar hedges and a long gold position. The fund entered the quarter underweight information technology and over-weight aerospace and defense. However, as the quarter developed, profits were crystallized across these sectors and consumer staples while several technology companies were added.

> "We believe investors should seek diversified sources of returns, uncorrelated with equity and bond market returns, as these beta return sources are likely to deliver lower returns going forward."

BNY Mellon Global Real Return Fund produced positive returns for 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	3.05%	4.00%	6.50%	4.31%	4.50%	3.89%
Class A (5.75% max. load)	-2.88%	-1.98%	0.35%	2.28%	3.27%	3.28%
Class I (NAV) / 12/29/06	3.10%	4.11%	6.77%	4.54%	4.74%	4.14%
[1]SOFR 1-Month Compounded USD	1.06%	2.13%	4.70%	4.54%	2.75%	--

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 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[2]	Net[3]
Class A	1.24%	1.18%
Class I	0.99%	0.93%

[2]Gross expenses is the total annual operating expense ratio for the fund, before any fee waivers or expense reimbursements. [3]Net 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.
The fund's investment adviser, BNY Mellon Investment Adviser, Inc., has contractually agreed, for so long as the fund invests in the subsidiary, to waive the management fee it receives from the fund in the amount equal to the management fee paid to BNY Mellon Investment Adviser, Inc. by the subsidiary. In addition, BNY Mellon Investment Adviser, Inc. has contractually agreed, until February 28, 2026, to waive receipt of its fees and/or assume the direct expenses of the fund so that the direct expenses of none of the fund's share classes (excluding Rule 12b-1 fees, shareholder services fees, taxes, interest expense, brokerage commissions, commitment fees on borrowings and extraordinary expenses) exceed .90%. On or after February 28, 2026, BNY Mellon Investment Adviser, Inc. may terminate this expense limitation agreement at any time. Because "acquired fund fees and expenses" are incurred indirectly by the fund, as a result of its investments in underlying funds, such fees and expenses are not included in the expense limitation.

PERFORMANCE CONTRIBUTION OVERVIEW

A return of investor risk appetite led to a positive period for the fund, finishing the quarter ahead of its investment objective. The return-seeking assets, predominantly driven by long equities, dominated the return contribution. We also gained exposure to equity upside through options, which had a positive contribution during the quarter.

Elsewhere, all other asset exposures within the return-seeking assets contributed positively, with alternatives posting the second-largest contribution. Within the alternatives, renewable energy and property names performed strongly, offset by the risk-premia allocation, which was impacted negatively during the volatility in early April. However, risk-mitigation strategies recovered from the declines seen in April and continued to perform in line with expectations.

Within fixed income, both emerging market debt and corporate bonds provided positive contributions, led by core holdings in Brazil, Mexico and South Africa as well as high-quality UK corporate high yield. Credit holdings are smaller on average, so no one name dominated, but in aggregate corporate bonds managed to post a robust contribution owing to UK investment-grade and global high-yield exposures.

Despite the quarter being a strong one for risk assets, the stabilizing assets and hedging positions generated a positive contribution. The largest drivers of this positive contribution came from gold and government bonds. Gold prices continued to rise from sizeable central-bank purchasing and geopolitical tensions. Additionally, the fund's allocation to cash also generated a positive contribution. Cash has been invested in short-dated bills, picking up an attractive yield in line with the investment objective. Derivative protection was a modest drag on performance during the quarter due to the equity recovery over the period.

RETURN-SEEKING ASSETS

During the quarter, we modestly added to equity exposure, bringing current levels closer to our long-term neutral level and aligning with the investment objective. We decreased the sector underweight in information technology that had produced strong results over the short-to-medium term.

We added to **Nvidia**, where we had previously taken profits, and **SK Hynix**, a South Korean semi-conductor manufacturer. Initiations included **Hermes International**, the high-quality luxury goods company, and **Dominos**, also a high-quality operator. We sold our position in Molson Coors owing to concerns around shrinking beer demand. We also exited Reckitt Benckiser to reinvest into **Estee Lauder**.

STABILIZING ASSETS

We added to high-yield corporate debt, selectively investing in high-quality names which increase the underlying portfolio yield and may enhance our ability to generate returns consistent with the investment objective. We also added to emerging-market sovereign debt with higher yields and higher real rates than major developed markets such as the US and the UK. Consistent with our cautious outlook, we lowered cash levels and modestly added to return-seeking assets. In our view, the fund should benefit from a higher overall yield irrespective of equity and bond market returns.

Top 10 Holdings (6/30/25)	%
USA Treasury Notes FRN, 01/31/2027	11.52
USA Treasury Notes, 1.25%, 04/15/2028	5.99
GRR Commodity Fund LTD USD 0.001	5.69
Government Of Brazil, 0.0%, 01/01/2026	3.49
Government Of United Kingdom, 4.25%, 09/07/2039	3.44
Government Of Mexico, 7.75%, 05/29/2031	3.29
Government Of South Africa, 7.0%, 02/28/2031	2.29
Microsoft	1.61
Government Of United Kingdom, 4.75%, 10/22/2043	1.53
Amazon.com	1.48
The holdings listed should not be considered recommendations to buy or sell a security. Large concentrations can increase share price volatility.	

MARKET OUTLOOK

We expect the second half of 2025 to be anti-climactic compared to the first half. Across the board, equity indexes have recovered from the early April tariff lows, but to levels which may provide limited upside from here. We expect the summer doldrums to set in from mid-July onwards.

Notwithstanding the current tariff policy uncertainty attached to the US, the outlook for risky assets has improved through generally lower policy rates, lower inflation and higher risk premiums. Europe's growth outlook has been upgraded due to Germany's embrace of fiscal expansionism.

In our view, the US equity market has discounted recent tariff volatility, is overly optimistic on potential policy rate cuts, with over two rate cuts expected, and is relatively complacent around current economic fundamentals. Meanwhile, fixed-income investors, as well as members of the Federal Reserve Open Market Committee (FOMC), remain in wait-and-see mode on the labor market and inflation.

Over the long term, we believe relatively high cash rates present a persistent headwind for equity and bond risk premiums. We believe investors should seek diversified sources of returns, uncorrelated with equity and bond market returns, as these beta return sources are likely to deliver lower returns going forward.

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 and the historical results achieved by the fund's respective share classes.

Past performance is no guarantee of future results.

Risks

Equities are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. **Small and midsized company stocks** tend to be more volatile and less liquid than larger company stocks as these companies are less established and have more volatile earnings histories. **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. 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. **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. 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.

Index Definitions

[1]The SOFR Index measures the cumulative impact of compounding the SOFR on a unit of investment over time, with the initial value set to 1.00000000 on April 2, 2018, the first value date of the SOFR. The SOFR Index value reflects the effect of compounding the SOFR each business day and allows the calculation of compounded SOFR averages over custom time periods. Provided for illustrative purposes only. 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.

Please note: any security highlighted in bold was held by the fund on 6/30/25.

As of 6/30/25 the companies mentioned represented 3.42% 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.

This material has been provided for informational purposes only and should not be construed as investment advice or a recommendation of any particular investment product, strategy, investment manager or account arrangement, and should not serve as a primary basis for investment decisions. Prospective investors should consult a legal, tax or financial professional in order to determine whether any investment product, strategy or service is appropriate for their particular circumstances. Views expressed are those of the author stated and do not reflect views of other managers or the firm overall. Views are current as of the date of this publication and subject to change. This information contains projections or other forward-looking statements regarding future events, targets or expectations, and is only current as of the date indicated. There is no assurance that such events or expectations will be achieved, and actual results may be significantly different from that shown here. The information is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.

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

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