BNY Mellon Global Fixed Income Fund

MANAGER COMMENTARY | Q2 2025

Class A **DHGAX** Class I **SDGIX**

MARKET REVIEW

"While the world awaits what may occur as President Trump's 90-day delay in the imposition of tariffs ends, our outlook for growth remains soft."

Government bond markets had a volatile quarter driven by a varying flow of news on inflation and growth outlooks, partly based on speculation over which countries would be affected by US trade tariffs, to what degree, and when. In the US, 10-year Treasury yields were largely unchanged over the period, rising just 2 basis points (bp), to 4.23%. In Germany, yields continued to drift lower in April following the March peak, before trading largely sideways thereafter, with 10-year yields ending 13bp lower at 2.61%. Meanwhile, 10-year UK gilt yields largely moved sideways in a wide range, ending the quarter 19bp lower at 4.49%, close to the bottom of that range. In Japan, government bond yields initially declined sharply on concerns for the economy following the announcement of US tariffs but recovered to end 6bp lower overall at 1.43%. Yield levels in the emerging markets declined notably, with the JP Morgan Emerging Market Bond Index yield falling 29bp to 6.01%.

PERFORMANCE SUMMARY

For the quarter ended June 30, 2025, the Fund's Class I shares returned 1.41%, excluding sales charges. In comparison, the Fund's unmanaged benchmark, the Bloomberg Global Aggregate USD Hedged Index, returned 1.61% for the same period.

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) 12/2/09	1.30%	2.53%	6.01%	4.65%	1.24%	2.24%
Class A (4.50% max. load)	-3.28%	-2.09%	1.27%	3.05%	0.31%	1.77%
Class I (NAV) 1/1/94	1.41%	2.67%	6.37%	4.97%	1.55%	2.55%
Bloomberg Global Aggregate USD Index (Hedged)	1.61%	2.81%	6.15%	3.60%	0.26%	2.33%

Returns are net of fund expenses and assume reinvestment of distributions. 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[1]	Net[2]
Class A	0.84%	0.84%
Class I	0.54%	0.54%

[1]Gross expenses is the total annual operating expense ratio for the fund, before any fee waivers or expense reimbursements. [2]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.

MARKET REVIEW (continued)

Policy changes and uncertainty in the US were major features of the second quarter of 2025. Early in the period President Trump announced wide-ranging trade tariffs to be imposed on imports to the US, which, though extensively trailed beforehand, created significant economic uncertainty. There were a series of pullbacks, delays, reductions, threats to increase, and announcements of retaliatory measures in the intervening period, with many countries attempting to secure trade agreements that seek to reduce the effects of the tariff regimes going forward. Growth prospects deteriorated during the period, largely due to the uncertainty and prospects for potential trade wars, while inflation was volatile on its continued slow downward trend. Of the major central banks, the European Central Bank(ECB) (twice), Bank of England, Swiss National Bank, and Reserve Bank of Australia all reduced rates during the period, while the Federal Reserve kept US rates steady throughout. On the geopolitical front, tensions between Israel and Iran blew up into a short-lived military exchange, with the US joining in briefly to bomb specific targets of Iran's nuclear capabilities. Elsewhere, Canadians elected Mark Carney, former governor of both the Banks of Canada and England, as their new prime minster.

Credit markets were largely positive over the quarter, although spread levels were volatile, influenced by the announcement of, and subsequent uncertainty surrounding, US trade tariffs. High yield markets eventually outperformed investment grade. The option-adjusted spread (OAS) over governments for the Bloomberg US Corporate Index ended the quarter 11bp tighter at 83bp, with the related Bloomberg US Credit Index 10bp tighter at 79bp. The spread on the Bloomberg Euro Corporate Index also tightened, but by only 6bp at 92bp. The Bloomberg Sterling Agg Corporate Index was 10bp tighter at 101bp. In high yield markets, the Bloomberg US Corporate High Yield Index spread was 57bp tighter at 290bp, demonstrating how riskier asset markets have performed well in the period. The Bloomberg Pan-European High Yield Index spread tightened by 31bp at 303bp.

PERFORMANCE REVIEW

Active rates positioning provided slight outperformance driven by an overweight to the US, while an underweight to China detracted. Curve positioning faced substantial headwinds driven by a yen flattener while a steepener in the US dollar contributed. Cross market trades provided outperformance on the quarter driven by a long local Brazil versus the US. Inflation positioning provided outperformance as well driven by an underweight pound inflation swaps.

Additionally, mortgage-backed securities (MBS) provided slight outperformance on the quarter driven by an overweight the mortgage-backed securities beta, while the credit strategy faced headwinds providing underperformance. Security selection modestly outperformed while foreign exchange had negative performance, driven by an underweight to Swiss franc, pound, Swedish krona, New Zealand dollar, and Canadian dollar. An overweight to the euro, Australian dollar, and Norwegian krona contributed.

MARKET OUTLOOK

While the world awaits what may occur as President Trump's 90-day delay in the imposition of tariffs ends, our outlook for growth remains soft. Another extension could help achieve more trade agreements being successfully reached. Lowering tariffs to trade-liberalizing levels is likely to be a challenge and may only be possible if concessions are provided to the US. While recession is not the primary expectation, it remains a clear and non-negligible risk in many countries. Tariffs and whether/when they are imposed will likely continue to complicate the inflation picture, given the difficulty in knowing how reciprocal actions may affect individual countries. We see the

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downward trend continuing slowly, supported by the weak growth outlook, but there is likely to be periodic volatility, which could be exacerbated if trade wars escalate. The major central banks are expected to ease rates further but not by much and the ECB may only have one rate cut left to implement if market expectations are met. Meanwhile, Japan faces the opposite scenario as the Bank of Japan is expected to continue slowly raising rates to combat inflation and wage growth.

In the US, the uncertainty surrounding the outlook for the economy remains relatively high as the 90-day pause on the implementing widespread import tariffs approaches. Forward-looking indicators are broadly neutral, offering little meaningful guidance on future direction. We believe that an economic slowdown should be expected, following the more robust momentum seen in 2024 and early 2025. Gross Domestic Product (GDP) growth is expected to be sluggish below 1.5% in both 2025 and 2026. Although recession is not our central case, we see it as a clear risk and believe that the labor market is likely to ease as activity softens. Meanwhile, the trend in inflation is still downward, though only gradually, with volatility likely to be precipitated by the uncertain backdrop of tariffs. There is elevated risk that an escalation in the trade tensions could undermine the downward trend in inflation more substantially and cause it to reaccelerate. Nonetheless, we do expect further rate cuts from the Federal Reserve over time, supported by the labor market becoming less tight. We see the terminal Fed funds rate at about 3.25% some time in 2026. Any detrimental effects the President’s flagship One Big Beautiful Bill could have on the deficit and debt level may begin to have greater influence the level of Treasury yields. Our expectation is that the yield curve can steepen modestly with shorter-dated Treasury yields declining more than longer maturities. We see 10-year Treasuries at 3.85% in a year’s time.

In the eurozone, economic growth is likely to struggle to exceed 1% in 2025 and could soften further in 2026. While there is stronger recovery in Spain, core countries like Germany and France continue to struggle. The effects that US tariffs may have on growth are not clear, but the manufacturing sector has already been struggling and could face further headwinds if no trade deal is agreed. Inflation is expected to move broadly sideways, having reached the 2% target level, and we now expect the ECB to ease policy further later in 2025, taking the deposit rate down by a further 25bp, which we believe will likely be the trough for this cycle in the absence of a further disruptive event. Agreements to ramp up defense spending and in some places increase infrastructure spending too, could help boost growth over time, but also put pressure on deficits. We have modestly increased our forecasts for German government yields, seeing 10-year yields at 2.65% in a year’s time, and longer-dated yields at 3.25%.

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 or visit bny.com/investments. Read the prospectus carefully before investing. 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. 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. **High yield bonds** involve increased credit and liquidity risk than higher-rated bonds and are considered speculative in terms of the issuer's ability to pay interest and repay principal on a timely basis. 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.

The **Bloomberg Global Aggregate Index (Unhedged)** is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **J.P. Morgan Market Bond indices** are a family of benchmarks designed to track the performance of various bond markets, including those in the US, emerging markets, and global markets. These indices cover a range of asset classes and currencies, providing investors with a way to track and compare the performance of different bond sectors. The **Bloomberg US Corporate Index** is a benchmark for the investment-grade, fixed-rate, taxable US corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility, and financial issuers. The **Bloomberg Euro Corporate Bond** Index is a broad-based benchmark that tracks the performance of the investment-grade, euro-denominated, fixed-rate corporate bond market. It includes securities from industrial, utility, and financial issuers publicly issued in Eurobond and eurozone domestic markets. **The Bloomberg US Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The **Bloomberg Sterling Aggregate Corporate Bond Index** is a fixed-rate, investment-grade Sterling-denominated corporate bond index that tracks the performance of the fixed-rate, investment-grade Sterling-denominated corporate bond market. It's part of a broader family of fixed income indices offered by Bloomberg. The index includes bonds from industrial, utility, and financial issuers. The **Bloomberg Pan-European High Yield Index** tracks the performance of fixed-rate, high-yield corporate bonds issued in Europe, denominated in EUR, GBP, CHF, DKK, NOK, and SEK. It specifically focuses on non-investment grade debt, excluding emerging market debt and certain other debt types. Investors cannot invest directly in any index.

Mortgage-Backed Security (MBS) is an investment similar to a bond that is made up of a bundle of home loans bought from the banks that issued them. Investors in MBS receive periodic payments similar to bond coupon payments. A **yield curve** is a line that plots yields, or interest rates, of bonds that have equal credit quality but differing maturity dates. **Gross Domestic Product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. **Inflation** is the rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier. The **option-adjusted spread (OAS)** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option. A **basis point (BP)** is a unit of measure used to indicate percentage changes in financial instruments. Basis points are typically expressed with the abbreviations "bp," "bps," or "bips." One basis point is equal to 1/100th of 1%, or 0.01%. In decimal form, one basis point appears as 0.0001 (0.01/100).

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