QUARTERLY INVESTMENT REPORT

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BNY Mellon Absolute Return Bond Fund

INVESTMENT MANAGER

Insight INVESTMENT

Insight are leaders in risk management, fixed income and multi-asset investment solutions.

PERFORMANCE BENCHMARK

The Fund will measure its performance against 3- Month EURIBOR (the "Cash Benchmark"). EURIBOR is the Euro Interbank Offer Rate and is a reference rate that is constructed from the average interest rate at which Eurozone banks offer unsecured short-term lending on the inter-bank market.

The Cash Benchmark is used as a target against which to measure its performance on a rolling 12 month basis after fees. The Fund uses Cash Benchmark +3% per annum as a target against which to measure its performance on a rolling annualised 3 year basis before fees.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policies disclosed in the Prospectus.

FUND RATINGS

MORNINGSTAR ★★★★

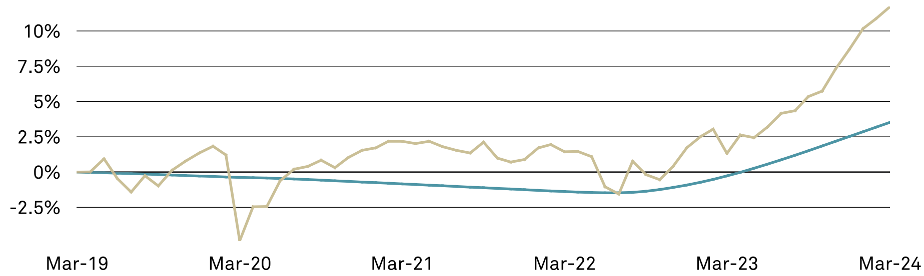
PERFORMANCE DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. Please refer to the prospectus and the KID/KIID before making any investment decisions. Documents are available in English and an official language of the jurisdictions in which the Fund is registered for public sale. Go to www.bnymellonim.com. For a full list of risks applicable to this fund, please refer to the Prospectus or other offering documents.

QUARTERLY HIGHLIGHTS

- Performance: The Fund generated a positive return, net of fees, during the quarter.
- Activity: We continued to actively position the Fund in response to changing market conditions.
- Outlook & Strategy: We are ready to trim our long credit position should valuations deteriorate.

5 YEAR CUMULATIVE PERFORMANCE (%)



11.7% Fund   3.5% Performance Benchmark

PERFORMANCE SUMMARY (%)

	1M	3M	YTD	1YR	Annualised 2YR	3YR	5YR
Euro W (Acc.)	0.76	2.78	2.78	10.25	4.94	3.02	2.24
Performance Benchmark	0.33	0.98	0.98	3.81	2.45	1.44	0.69

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	-	-	-	-0.42	-5.83	0.66	0.19	-0.64	0.84	6.84
Performance Benchmark	0.22	-0.01	-0.26	-0.33	-0.32	-0.36	-0.43	-0.55	0.34	3.47

Source: Lipper as at 31 March 2024. Fund performance Euro W (Acc.) calculated as total return, based on net asset value, including charges, but excluding initial charge, income reinvested gross of tax, expressed in share class currency. The impact of the initial charge, which may be up to 5%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request. **Returns may increase or decrease as a result of currency fluctuations.**

The benchmark was updated on 01/11/2021, performance prior to the change is shown using the previous benchmark. The share class can be different to that of the base currency of the fund. For CHF it is SARON CHF, For EUR it is EURIBOR, For GBP it is GBP SONIA, For USD it is USD SOFR, For SGD it is SIBOR SGD.

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PERFORMANCE COMMENTARY

Credit outperformed government bonds amid an improving macroeconomic global outlook.

THE FUND'S PERFORMANCE WAS BUOYED BY BOTH OUR CREDIT AND RATES POSITIONING

The first quarter of 2024 continued the streak of strong returns for risk assets from last year as investors took cheer in positive leading economic indicators worldwide. Inflation, too, began to fall, although both the US and eurozone reported inflation rates that exceeded forecasts.

Sentiment was boosted by the US economy growing more than expected in the last quarter of 2023, with the composite Purchasing Managers' Index remaining in expansionary territory. Macroeconomic data in other countries, too, was encouraging, pointing to a soft landing.

While the US Federal Reserve (Fed), European Central Bank and Bank of England all maintained rates during the period, the Bank of Japan increased rates for the first time since 2007, signalling an end to its negative rates policy. Meanwhile, the Swiss central bank surprisingly cut interest rates.

Government bond markets were choppy during the first quarter, with yields marching higher as economic data came in stronger than expected and markets moderated the timing and extent of rate cuts priced for 2024. The 10-year US Treasury yield jumped from 3.87% at the end of 2023 to 4.21% by the close of the first quarter, while the UK's 10-year Gilt yield rose from 3.54% to 3.94% and the German 10-year Bund yield increased by 26 basis points.

Although higher 'risk-free' yields generally have correlated with weaker credit markets over the past two years, this did not occur as spreads continued to grind tighter, with the more positive economic data being warmly received. As a result, corporate bonds outperformed government bonds and high yield was ahead of investment grade.

From the Fund's perspective, positive performance was driven by both rates and credit positioning, with most of the returns coming in January. Our long corporate credit position added the most value as credit spreads tightened. European investment grade credit outperformed most other asset classes, which helped performance.

Within rates, our country selection added the most value, particularly in January and February when this was driven by our short position in Canada relative to Australia and an overweight position in Italy versus Germany. Our duration positioning (sensitivity to interest rates) in January contributed to returns, owing to short duration positions in the UK and Japan.

By contrast, our yield curve positioning detracted over the quarter, mainly in February due to a steepener position in the US, which was partly offset by our flattener position in the UK. The Fund's currency positioning was negative due to being short the US dollar.

ACTIVITY REVIEW

We have been running with a small long in US duration and a slight short in Japan duration.

IN CREDIT, WE REMAIN OVERWEIGHT INVESTMENT GRADE WITHIN FINANCIALS AND UTILITIES

In January, we took profits on our UK short duration position and increased our short in Japan. Also, in the same month, we added some UK flattening risk against our US 10s30s yield curve steepening position since it looked stretched on a historical basis. We closed out our UK flattening positions in March.

Early in February, we increased directional risk as strong economic data reinforced our view that the global economy remains robust enough to support healthy risk asset markets.

In March, we reduced a slightly long duration position in US Treasuries. Meanwhile, in Europe, as our overweights in Italy and Sweden relative to Germany continued to perform well, we took profits on both positions.

INVESTMENT STRATEGY AND OUTLOOK

We are likely to trim our long corporate credit positions at the margin should valuations in credit begin to look unappealing.

WE ARE WELL PLACED SHOULD MARKET CONDITIONS BECOME MORE CHALLENGING

Since the end of last year, the Fed's pivot away from higher rates and into steady, probably lower interest rates sometime in 2024 have helped buoy risk assets. We embraced the opportunity early and the Fund's performance has benefited from this.

Many market participants did not anticipate the risk-on environment and strong equity rally. There is still uncertainty about whether the US economy will continue to grow and if global central banks will cut rates any time soon, which would propel stocks and other risk assets higher, or whether risk assets are enjoying a last leg higher.

We believe this backdrop where central banks are poised and willing to cut rates along with a continued strong new issue calendar is an excellent environment for our strategy to succeed. If, on the contrary, the macroeconomic environment shifts and proves to be more challenging, we believe the Fund is well placed to take advantage of the ensuing volatility.

REGIONAL INTEREST RATE DURATION (YEARS)

	Long	Short	Net
USA	7.0	-5.4	1.6
Other Dollar Bloc	0.0	-1.2	-1.2
Eurozone	4.5	-4.1	0.4
UK	4.0	-4.3	-0.3
Japan	0.0	-0.8	-0.8
Emerging Markets	0.6	0.0	0.6
Others	1.2	-0.8	0.4
Total	17.2	-16.6	0.6

MATURITY INTEREST RATE DURATION (YEARS)

	Long	Short	Net
0-1 yr	0.1	-0.1	0.0
1-5 yrs	1.4	-0.6	0.8
5-10 yrs	6.3	-5.0	1.3
10-15 yrs	0.6	-2.6	-2.0
15+ yrs	8.7	-8.2	0.5
Total	17.2	-16.6	0.6

UNHEDGED FX EXPOSURE (%)

	Fund
NZD	1.0
GBP	0.9
EUR	0.8
AUD	0.5
NOK	0.5
CZK	0.3
CAD	0.3
Others	-4.2
Total	0.0

Source: BNY Mellon Investment Management EMEA Limited

SECTOR SPREAD DURATION (YEARS)

	Long	Short	Net
Non-financial corporates	1.5	-0.3	1.2
Financials	0.9	-0.1	0.8
ABS/MBS	0.1	0.0	0.1
CDS Indices	0.3	-1.5	-1.2
Money Market Instruments	0.7	-1.0	-0.3
Total	3.5	-2.8	0.7

CREDIT RATING (HIGHEST) SPREAD DURATION

	Long	Short	Net
AAA	0.0	0.0	0.0
AA	0.0	0.0	0.0
A	0.6	-2.0	-1.4
BBB	1.5	-0.2	1.3
BB	0.6	-0.5	0.2
B	0.7	-0.1	0.6
CCC & below	0.0	0.0	0.0
NR	0.0	0.0	0.0
Total	3.5	-2.8	0.6

COUNTRY OF ISSUER DOMICILE

	Net %	Net Spread Duration (Yrs)
European Union	53.9	0.0
Germany	10.6	0.2
Ireland	10.5	0.1
France	5.2	0.2
Netherlands	4.6	0.3
United Kingdom	4.5	0.4
Spain	4.0	0.2
Austria	2.8	0.1
Canada	2.6	0.0
Belgium	2.4	0.1
Italy	1.9	0.0
Portugal	1.4	0.1
Bermuda	1.3	0.0
New Zealand	1.0	0.0
Greece	0.8	0.0
Colombia	0.7	0.0
Denmark	0.5	0.0
Norway	0.5	0.0
Others	-9.2	-1.1
Total	100.0	0.6

KEY RISKS ASSOCIATED WITH THIS FUND

- The Fund may invest in China interbank bond market through connection between the related Mainland and Hong Kong financial infrastructure institutions. These may be subject to regulatory changes, settlement risk and quota limitations. An operational constraint such as a suspension in trading could negatively affect the Fund's ability to achieve its investment objective.
- Where the Fund invests significantly in a single market, this may have a material impact on the value of the Fund.
- There is no guarantee that the Fund will achieve its objectives.
- The performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for returns to vary significantly.
- This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Fund can lose significantly more than the amount it has invested in derivatives.
- Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the Fund.
- Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the Fund.
- The issuer of a security held by the Fund may not pay income or repay capital to the Fund when due.
- Emerging Markets have additional risks due to less-developed market practices.
- Contingent Convertible Securities (CoCo's) convert from debt to equity when the issuer's capital drops below a pre-defined level. This may result in the security converting into equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.
- The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.
- If this share class is denominated in a different currency from the base currency of the Fund. Changes in the exchange rate between the share class currency and the base currency may affect the value of your investment.
- For hedged share classes the hedging strategy is used to reduce the impact of exchange rate movements between the share class currency and the base currency. It may not completely achieve this due to factors such as interest rate differentials.
- A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

INVESTMENT OBJECTIVE

To provide a positive absolute return in all market conditions over a rolling 12 month period by investing primarily in debt and debt-related securities and instruments located worldwide and in financial derivative instruments relating to such securities and instruments. However, a positive return is not guaranteed and a capital loss may occur.

GENERAL INFORMATION

Total net assets (million)	€ 290.44
Performance Benchmark	3 Month EURIBOR
Lipper sector	Lipper Global - Absolute Return Other
Fund type	ICVC
Fund domicile	Ireland
Fund manager	Gareth Colesmith / Peter Bentley
Alternate	Shaun Casey / Harvey Bradley
Base currency	EUR
Currencies available	EUR, GBP, USD
Fund launch	09 Mar 2012

EURO W (ACC.) SHARE CLASS DETAILS

Inception date	03 Oct 2016
Min. initial investment	€ 15,000,000
Max. initial charge	5.00%
Annual mgmt charge	0.75%
ISIN	IE00BP4JQP45
Registered for sale in:	AT, BE, CH, CO, DE, DK, ES, FI, FR, GB, GG, IE, IT, JE, LU, NL, NO, PE, PT, SE, SG, UY

DEALING

09:00 to 17:00 each business day
Valuation point: 12:00 Dublin time
Costs incurred when purchasing, holding, converting or selling any investment, will impact returns. Costs may increase or decrease as a result of currency and exchange rate fluctuations.
For more details please read the KID document.

RISK AND REWARD PROFILE - EURO W (ACC.)

Lower risk ←→ Higher risk

Potentially lower reward — Potentially higher reward

1	**2**	3	4	5	6	7

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
We have classified this product as 2 out of 7, which is a low risk class.This rates the potential losses from future performance at a low level,and poor market conditions are very unlikely to impact the capacity of BNY Mellon Fund Management (Luxembourg) S.A. to pay you.

Source: BNY Mellon Investment Management EMEA Limited
Any views and opinions are those of the investment manager, unless otherwise noted.

IMPORTANT INFORMATION