QUARTERLY INVESTMENT REPORT

BNY Mellon Global Short-Dated High Yield Bond Fund

INVESTMENT MANAGER

Insight INVESTMENT

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

FUND RATINGS

MORNINGSTAR ★★★★

PERFORMANCE BENCHMARK

The Fund will measure its performance against SOFR (90-day compounded) (the "Cash Benchmark"). SOFR (the Secured Overnight Financing Rate) is a broad measure of the cost of borrowing cash overnight collateralised by U.S. Treasuries and is administered by the New York Federal Reserve. The Cash Benchmark is used 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.

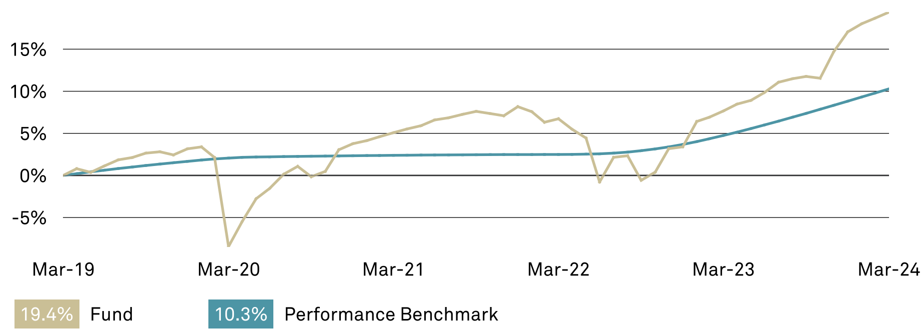
PERFORMANCE NOTE

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. It was ahead of its benchmark.
- Activity: We increased the number of names held during the quarter.
- Outlook & Strategy: We are increasing the Fund’s carry, taking advantage of higher coupons.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

	1M	3M	YTD	1YR	2YR (Annualised)	3YR (Annualised)	5YR (Annualised)
USD A (Acc.)	0.61	2.00	2.00	10.89	5.76	4.34	3.60
Performance Benchmark	0.46	1.34	1.34	5.28	3.73	2.51	1.97

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	-	-	-	5.09	-0.08	7.40	0.59	4.24	-4.41	13.20
Performance Benchmark	0.23	0.32	0.75	1.27	2.33	2.34	0.66	0.14	1.17	4.96

Source: Lipper as at 31 March 2024. Fund performance USD A (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.

BNY MELLON INVESTMENT MANAGEMENT EMEA LIMITED - CLIENT SERVICES

Tel: +44 20 7163 2367

Fax: +44 20 7163 2039

Email:internationalsales@bnymellon.com

Web: www.bnymellonim.com

PERFORMANCE COMMENTARY

High yield bond supply was boosted by refinancing activity in the US and Europe.

STRONG FUND PERFORMANCE CONTINUED THROUGHOUT THE QUARTER

Credit markets continued to post gains in the first quarter as investor sentiment remained upbeat despite moderating interest rate expectations. By quarter-end, credit had outperformed government bonds, and high yield surpassed investment grade. The Bloomberg Global Corp High Yield Index ended the quarter 1.93% ahead versus the Bloomberg Global Corp Aggregate Index's 0.1% (both US dollar hedged).

In February, US high yield bond spreads tightened to their lowest since January 2022, as a resilient economy, better-than-expected corporate earnings, elevated yields and rapidly improving capital market access supported valuations even as inflation upwardly surprised. Incoming data suggested a growing rather than cooling global economy, keeping central banks cautious and forcing markets to reprice for later rate cuts.

High yield bonds again provided solid returns in March, helped by the US Federal Reserve signalling rate cuts in the not-too-distant future. US high yield spreads touched a five-year low of 339 basis points on 21 March, ending the quarter 34 basis points lower.

In Europe, high yield spreads tightened in January to levels last seen two years previously. With low net supply, few refinancings and shorter tenors, the average life (defined as years to maturity) of the Pan European High Yield market reached less than 3.7 years in February. In March, European high yield spreads widened marginally, but returns were boosted by lower bond yields.

Regarding supply, improving sentiment has been accompanied by the most active refinancing activity for US high yield issuers since 2021. US high yield issuance in the first quarter totalled US$87.6bn compared to US$40.5bn in the first quarter of 2023.

Meanwhile, in Europe, after a lacklustre February, supply in March surged to €13.9bn, the heaviest monthly volume since October 2021. This lifted first-quarter European high yield non-financial bond issuance to €26.5bn. Refinancing activity was again the focus as companies addressed near-term maturities. The share of supply from BBs dipped to 54% after having jumped to 68% in the previous quarter.

From the Fund's perspective, the biggest contributor to performance in sector terms was telecommunications, followed by energy and then chemicals. Our holding in Ithaca Energy, a UK independent oil & gas operator in the North Sea, added most value at stock level, followed closely by the holding in Kantar (a marketing data and analytics business). Conversely, our bond from Spanish pharmaceutical Grifols detracted most.

ACTIVITY REVIEW

We actively participated in the market, increasing our holdings across various sectors as issuance picked up.

THE AVERAGE RATING OF THE FUND'S HOLDINGS STANDS AT B+

During the quarter, we invested Fund inflows into higher-quality issues, with the average rating of holdings remaining at B+. By quarter-end the Fund had an average duration of around two years and was invested in 91 names, up from 79 at the end of 2023. We made several sales on profit-taking.

Furthermore, we have been increasing the Fund's carry, which stands at around 50 basis points per month after our average coupon increased to 6% over 2023.

INVESTMENT STRATEGY AND OUTLOOK

The Fund's short duration positioning helps to shield us from interest rate and growth fears while providing the potential for an attractive return. We continue, however, to be diligent of any signs of stress in business models.

FULL YEAR 2023 EARNINGS RESULTS WERE EITHER IN LINE WITH OR BETTER THAN EXPECTATIONS

Companies that generate free cash flow should ensure they can pay the higher interest rates after refinancing and safeguard against defaults. We expect defaults to run below the long-term average and be well flagged, with them likely to be concentrated in the CCC-rated space. As such we believe, sensible stock selection and avoiding racy names should enable investors to collect the entire coupon without having to provision for defaults.

Moreover, the resilience of business models continues to surprise us, with full year 2023 earnings results either in line with or better than expectations. Generally, markets saw 1.4x earnings upgrades versus downgrades, allaying short-term recessionary concerns. Aside from a handful of idiosyncratic contained events, we still do not expect any material stress in the wider high yield market. The companies in which we invest continue to address 2025 and 2026 maturities and extend out their capital structure at coupons of 6% or higher. We are taking advantage of the higher coupons and increasing the Fund's carry.

We avoid investing in property, debt collectors, retail, technology, banks or any business that requires growth to expand into its capital structure or is running an unfunded business plan. This approach has kept us away from distressed bonds and defaults. Moreover, delayed interest rate cuts and/or less aggressive moves by central banks will likely have a disproportionate impact on those sectors.

COUNTRY ALLOCATION (%)

	Fund
United Kingdom	21.1
United States	17.2
Germany	10.9
France	9.8
Netherlands	6.6
Luxembourg	5.8
Italy	3.4
Sweden	2.9
Australia	2.0
Poland	1.6
Brazil	1.5
Belgium	1.5
Austria	1.4
Slovenia	1.4
Others	12.9

SECTOR ALLOCATION (%)

	Fund
TMT	18.0
Commercial services	11.8
Paper, Packaging & Containers	9.6
Chemicals	8.3
Building & Construction	7.5
Energy - Oil & Gas	7.1
Auto Manufacturing, Parts & Equipment	7.0
Food & Beverage	6.4
Hotel, Gaming & Leisure	6.0
Healthcare & Pharmaceuticals	5.5
Transportation	5.0
Basic Materials & Mining	2.4
Banks, insurance & real estate	1.9
Retail	1.5
Others	2.0

CREDIT QUALITY BREAKDOWN (%)

	Fund
BBB	2.2
BB	48.8
B	42.0
CCC	3.0
Cash & Others	4.0

PORTFOLIO CHARACTERISTICS

	Fund
Yield to Worst (%)	7.15
Yield to Expected takeout (USD)	7.7
Average Yield to expected takeout (EUR)	6.27
Contractual Portfolio Maturity	3.23
Average maturity (years)	2.1
Number of issuers	91
Average Rating	BB-

TOP 5 POSITION BY ISSUER

	Return Bps	% NAV
OI European Group BV	1.8	2.4
Virgin Media	3.3	2.3
Q-PARK HOLDING BV	1.7	2.2
Nidda Healthcare	0.7	2.1
Trivium Packaging	0.4	2.1

CURRENCY ALLOCATION OF HOLDINGS (%)*

	Fund
EUR	53.3
USD	30.7
GBP	14.8
AUD	1.1

*All currencies are hedged back to the base currency of the fund which is USD.

Source: BNY Mellon Investment Management EMEA Limited

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.
- 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.
- The Fund may not always find another party willing to purchase an asset that the Fund wants to sell which could impact the Fund's ability to sell the asset or to sell the asset at its current value.
- 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.
- 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.
- The Fund follows an ESG investment approach. This means factors other than financial performance are considered as part of the investment process. This carries the risk that the Fund's performance may be negatively impacted due to restrictions placed on its exposure to certain sectors or types of investments. The approach taken may not reflect the opinions of any particular investor. In addition, in following an ESG investment approach, the Fund is dependent upon information and data from third parties (which may include providers for research reports, screenings, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent.
- 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 deliver positive returns greater than the Cash Benchmark SOFR(90-day compounded) on a 3 year rolling basis.

GENERAL INFORMATION

Total net assets (million)	$ 851.06
Performance Benchmark	SOFR (90-day compounded)
Lipper sector	Bond Global High Yield USD
Fund type	ICVC
Fund domicile	Ireland
Fund manager	Catherine Braganza/ Ulrich Gerhard/ Lorraine Specketer
Base currency	USD
Currencies available	EUR, USD, GBP, CHF
Fund launch	30 Nov 2016

USD A (ACC.) SHARE CLASS DETAILS

Inception date	30 Nov 2016
Min. initial investment	$ 5,000
Max. initial charge	5.00%
Annual mgmt charge	1.25%
ISIN	IE00BD5CTS25
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: 22:00 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 - USD A (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 3 out of 7, which is a medium-low risk class.This rates the potential losses from future performance at a medium low level, and poor market conditions are 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

MIS0066-300624
65afa7210004e3c4291831bf0d4503f3
Issued on 02/05/2024