

This is a marketing communication. For Professional Clients only and, in Switzerland, for Qualified Investors only. In the Middle East, provided solely for use by the intended recipient. BNY Mellon Investments Switzerland GmbH is a financial services provider in Switzerland and is required to categorise clients, excluding financial intermediaries, in accordance with the Financial Services Act (FinSA). For the purposes of this communication, we have categorised you as a professional client. Professional clients are entitled to provide notification in writing if they wish to be re-categorised.

# BNY Mellon U.S. Municipal Infrastructure Debt Fund

## INVESTMENT MANAGER



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

The Fund transitioned investment manager on the 1<sup>st</sup> September 2021. Prior to this date it was managed by Mellon Investments Corporation, LLC.

## FUND RATINGS



Source & Copyright: Morningstar ratings © 2024 Morningstar. All Rights Reserved. Ratings are collected on the first business day of the month.

## PERFORMANCE BENCHMARK

The Fund will measure its performance against 50% Bloomberg Municipal Bond TR Index, 50% Bloomberg Taxable U.S. Municipal Bond TR Index (the "Benchmark").

The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the majority of the Fund's holdings are expected to be constituents of, and have similar weightings to, the Benchmark, the investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

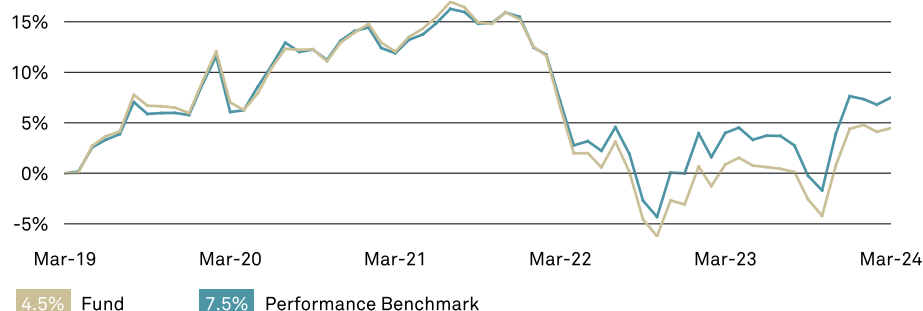
## PERFORMANCE NOTE

**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](http://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:** There was no significant activity over the quarter.
- **Outlook & Strategy:** We believe municipal bonds could continue to perform well.

## 5 YEAR CUMULATIVE PERFORMANCE (%)



## PERFORMANCE SUMMARY (%)

EN: Estimated Summary (10)													
							Annualised						
	1M	3M	YTD	1YR							2YR	3YR	5YR
USD W (Acc.)	0.36	0.07	0.07	3.57							-0.96	-2.30	0.88
Performance Benchmark	0.64	-0.14	-0.14	3.35							0.17	-1.33	1.45
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Fund	-	-	-	-	1.31	9.65	7.51	1.16	-15.90	7.72			
Performance Benchmark	12.49	2.19	2.42	6.80	0.96	9.31	7.86	1.24	-13.41	7.64			

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

## BNY MELLON INVESTMENT MANAGEMENT EMEA LIMITED - CLIENT SERVICES

Tel: +44 20 7163 2367

Fax: +44 20 7163 2039

Email: [internationalsales@bnymellon.com](mailto:internationalsales@bnymellon.com)

Web: [www.bnymellonim.com](http://www.bnymellonim.com)



## PERFORMANCE COMMENTARY

Changing interest rate expectations dragged down municipal bonds along with US Treasuries and investment grade corporates in the first two months of the year.

### MUNICIPAL BONDS CONTINUED TO SUFFER HEAVY REDEMPTIONS

The Fund's custom benchmark (weighted 50:50 between the Bloomberg US Municipal Tax-Exempt Index and the Bloomberg US Municipal Taxable Index) ended slightly down after having made losses in January and February, which were mostly offset by gains in March.

In January and February, the benchmark fell alongside the Bloomberg US Treasury Index and the Bloomberg US Corporate Investment Grade index as expectations for the timing and extent of interest rate cuts moderated as economic data was stronger than expected and inflation continued to exceed forecasts. Municipal yields followed US Treasury yields higher.

However, the benchmark regained ground in March on improving investor sentiment. With the US Federal Reserve raising its 2024 growth forecasts from 1.4% to 2.1% but maintaining its expectation that monetary policy can be eased, the risk of a US recession appears to be receding.

While the Bloomberg Municipal Tax-Exempt Index was flat in March, the US Municipal Taxable Index posted gains, resulting in the Fund's benchmark ending the month higher. This contrasted with US Treasuries and US investment grade corporates making losses over the same period. However, the benchmark's gains were insufficient to push the quarterly return into positive territory.

The Fund's tax-exempt security exposure ended the quarter slightly down at around 22%, with the balance of the Fund invested in taxable municipal, 'not-for-profit' corporate debt and cash. Risk was mainly concentrated in rates and curve positioning, and overweight exposure to taxable instruments (around 78% versus 50% for the custom benchmark).

The Fund continued to favour revenue bonds, and, by quarter-end, held 80.3% compared with the benchmark's 69.6%. The Fund's subsector overweights included hospitals, transportation, education and airports. We believe these sectors will continue to benefit from significant domestic activity in the US. The Fund does not invest in any tobacco-related securities.

We remained invested in issuers across various US states, particularly in the more economically significant and populous areas. Grouped by state, the five largest exposures by quarter-end represented around 58.7% of the Fund and comprised bond issuers within California, New York, Illinois, Pennsylvania and Texas.

Overall, the Fund's duration position was slightly longer than the benchmark at 7.09 years, with a yield to worst of 4.98% compared to the comparative custom benchmark's 6.88% (duration measures sensitivity to interest rates). Average credit quality was A+, slightly lower than the benchmark's weighted average credit rating of AA-.



## ACTIVITY REVIEW

There was no significant activity over the quarter.

THE STRUCTURE OF THE FUND REMAINED UNCHANGED OVER THE PERIOD

We did not make any major changes to the Fund during the quarter.

## INVESTMENT STRATEGY AND OUTLOOK

Falling inflation and lower interest rate volatility could provide support for longer duration assets such as municipal bonds.

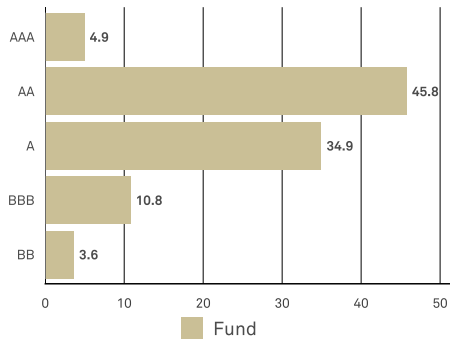
WE BELIEVE MUNICIPAL BONDS ARE LIKELY TO OUTPERFORM OTHER BOND CLASSES

We view municipal bonds as highly valuable assets owing to their attractive yields, stable credit quality and diversification benefits. Furthermore, we continue to believe that taxable municipal spreads demonstrate compelling relative value in light of slowing growth. It is our expectation that taxable municipal spreads, which remain elevated, will compress relative to similarly structured US corporate bonds over the medium term.

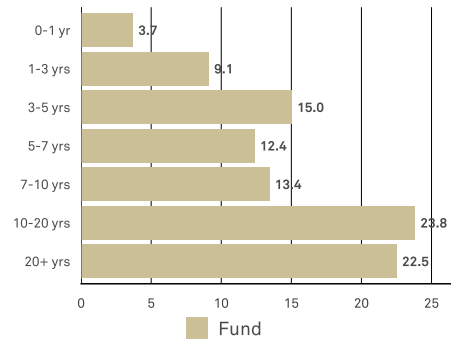
As capital projects typically last for decades, US taxable municipal bonds naturally have longer duration profiles. In our view, as inflation moderates and interest rate volatility subsides, longer duration assets are likely to reward investors. We believe the asset class has a high probability of outperforming other fixed income assets in such an environment.



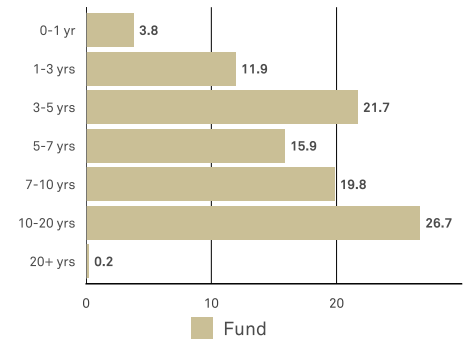
### CREDIT QUALITY BREAKDOWN (%)



### MATURITY DISTRIBUTION (%)



### DURATION DISTRIBUTION (%)



### STATE BREAKDOWN (%)

	Fund
California	18.6
New York	13.7
Illinois	10.9
Pennsylvania	8.2
Texas	7.3
Massachusetts	6.5
New Jersey	3.8
Michigan	3.3
Florida	2.8
Ohio	2.6
Colorado	2.3
Washington DC	1.6
Wisconsin	1.3
Connecticut	1.3
Maryland	1.3
Tennessee	1.3
Mississippi	1.0
Virginia	0.9
Oklahoma	0.9
Others	10.5

### SECTOR BREAKDOWN (%)

	Fund	Perf. B'mark
<b>General Obligation</b>	16.8	30.6
Local	11.0	12.3
Appropriation	5.0	4.2
State	0.9	14.0
<b>Pre-refunded</b>	1.2	1.7
<b>TX Permanent School Fund</b>	0.3	2.2
<b>Revenue</b>	80.0	65.5
Transportation	17.2	9.3
Special Tax	16.5	16.3
Education	13.2	9.7
Airport	9.8	4.9
Hospital	9.3	5.9
Water / Sewer	5.3	7.4
Prepaid Gas	1.5	1.7
Public Power	0.9	4.8
Other Revenue	6.2	5.4
<b>Others</b>	1.6	0.0

### PORTFOLIO CHARACTERISTICS

	Fund	Perf. B'mark
Duration To Worst	7.1	6.9
Spread Duration (in years)	6.9	7.0
Yield to Worst (%)	5.0	4.3
Current Yield (%)	4.2	4.4
Average quality	A+	AA-
Average Maturity (in years)	12.0	12.8
Average Coupon (%)	3.9	4.4
No. of issuers	143	2531
No. of issues	216	66857

### CURRENCY BREAKDOWN (%)

	Fund	Perf. B'mark
USD	100.0	100.0

### ISSUER SECTOR (%)

	Fund
MUNITAX	72.5
MUNI	21.8
CORP	4.0
Cash	1.6

Source: BNY Mellon Investment Management EMEA Limited



**KEY RISKS ASSOCIATED WITH THIS FUND**

- There is no guarantee that the Fund will achieve its objectives.
- Where the Fund invests significantly in a single market, this may have a material impact on 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.
- 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 Fund takes its charges from the capital of the Fund. Investors should be aware that this has the effect of lowering the capital value of your investment and limiting the potential for future capital growth. On redemption, you may not receive back the full amount you initially invested.
- 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.
- 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 as high a level of income as is consistent with the preservation of capital.

GENERAL INFORMATION

Total net assets (million)	\$ 723.39
Performance Benchmark	50% Bloomberg Municipal Bond TR Index, 50% Bloomberg Taxable U.S. Municipal Bond TR Index
Lipper sector	Lipper Global - Bond USD Municipal
Fund type	ICVC
Fund domicile	Ireland
Fund manager	Jeffrey Burger/Thomas Casey
Alternate	Team approach
Base currency	USD
Currencies available	EUR, USD, CHF, GBP, SGD
Fund launch	19 Apr 2017

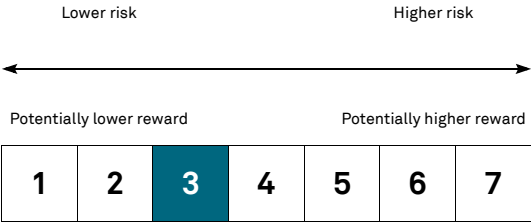
USD W (ACC.) SHARE CLASS DETAILS

Inception date	19 Apr 2017
Min. initial investment	\$ 15,000,000
Max. initial charge	5.00%
Annual mgmt charge	0.40%
ISIN	IE00BDCJZ442
Registered for sale in:	AT, BE, CH, CL, CO, DE, DK, ES, FI, FR, GB, GG, HK, 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 W (ACC.)



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

**For Professional Clients and, in Switzerland, for Qualified Investors only. Investment Managers are appointed by BNY Mellon Investment Management EMEA Limited (BNYMIM EMEA), BNY Mellon Funds Limited (BNYMFM), BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML) or affiliated fund operating companies to undertake portfolio management activities in relation to contracts for products and services entered into by clients with BNYMIM EMEA, BNY MFML or the BNY Mellon funds.** Portfolio holdings are subject to change, for information only and are not investment recommendations. Calls may be recorded. For more information visit our Privacy Policy [www.bnymellonim.com](http://www.bnymellonim.com). BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and its subsidiaries.  
The fund is a sub-fund of BNY Mellon Global Funds, plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. The Management Company is BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), regulated by the Commission de Surveillance du Secteur Financier (CSSF). Registered address: 2-4 Rue Eugène Ruppert L-2453 Luxembourg. Information on investor rights including the complaints handling policy and investor redress mechanisms is available at [www.bnymellonim.com](http://www.bnymellonim.com). The Manager may terminate the arrangements made for the marketing of one or more sub-funds of BNYMGF in one or more EU Member States and shareholders will receive prior notification in this event. In **Austria**, the current Prospectus and the Key Investor Information Document are available free of charge from Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 9, A-1030 Vienna. In **Belgium**, the KIID, Prospectus, articles of association and latest annual report are freely available upon request to from the paying agent : JP Morgan Chase Bank, 1 Boulevard du Roi Albert II, B-1210 Bruxelles, Belgium. The Prospectus, KIIDs, articles of association, annual and half-yearly financial reports are available in French. In **France**, the KIID, Prospectus, articles and latest annual report are freely available upon request to the centralising agent: BNP Paribas Securities Services, 3 rue d'Antin, 75002 Paris, tél: 00 33 1 42 98 10 00. In **Germany**, the prospectus is available from BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), German branch, MesseTurm Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany. In **Spain**, BNY Mellon Global Funds is registered with the CNMV, Registration No. 267. In **Switzerland**, the Company is established as an open-ended umbrella type investment company under Irish law and the Sub-funds are authorised by FINMA for distribution to non-qualified investors in or from Switzerland. The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. Investors in Switzerland can obtain the documents of the Company, such as the Prospectus, the KIIDs, the Memorandum and Articles of Association, the semi-annual and annual reports, each in their latest version as approved by FINMA, in German, and further information free of charge from the Swiss representative. Issued in the **UK** by BNY Mellon Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Conduct Authority. Issued in **Europe** (ex-Switzerland) by BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), a public limited company (société anonyme) incorporated and existing under Luxembourg law under registration number B28166 and having its registered address at 2-4 Rue Eugène Ruppert L-2453 Luxembourg. BNY MFML is regulated by the Commission de Surveillance du Secteur Financier (CSSF). Issued in **Switzerland** by BNY Mellon Investments Switzerland GmbH, Bärengasse 29, CH-8001 Zürich, Switzerland. In the **Middle East** the Bank of New York Mellon, DIFC Branch (the "Authorised Firm") is communicating these materials on behalf of The Bank of New York Mellon, Investment Management EMEA Limited ("BNYMIM EMEA"). BNYMIM EMEA is a wholly owned subsidiary of The Bank of New York Mellon Corporation. This material is intended for Professional Clients only and no other person should act upon it. The Authorised Firm is regulated by the Dubai Financial Services Authority and is located at Dubai International Financial Centre, Gate Precinct Building 5 North, Level 6, Room 601, P.O. Box 506723, Dubai, UAE.