BNY Mellon High Yield Strategies Fund

MANAGER COMMENTARY | Q1 2026

Ticker: **DHF** CUSIP: 09660L105

Describe the performance of the fund in relation to its benchmark during the last three months.

The BNY High Yield Strategies Fund underperformed the ICE BofA U.S. High Yield Constrained Index on a NAV basis for the three-month period ending March 31, 2026.

The US High Yield (HY) market posted a 0.55% decline for the first quarter, largely driven by geopolitical events during the month of March that drove interest rates higher and concerns about growth projections. HY spreads widened out 47 basis points (bps) as of March 31st from year-end 2025. Despite the negative quarterly returns, the asset class remained in solid shape, evidence by positive earnings and supportive technicals. HY capital markets saw a 16.8% increase in new issuance, of which 52% was for refinancing and 21% for acquisition financing. Defaults ticked up slightly to 2.1%, still below its long-term average of approximately 3.5%.

During the quarter, BB-rated credits (-0.38%) and Single Bs (-0.38%) outperformed and CCCs (-2.21%). Sector performance was led by Energy (+2.68%) and Cable (+1.25%), while Paper (-13.2%) and Building Materials (-3.46%) posted declines.

How is the fund currently positioned and what is your current strategy?

In terms of positioning, we remain decently skewed in single B risk and have steadily taken profits from CCC-risk positions. Overall yields are consistent with the index despite higher quality positioning, helped in part by exposures in bank loans, structured credit and European HY, and overall portfolio duration below. We continue to favor Healthcare, Telecom, and AI-related issuers and remain underweight cyclicals and software.

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. **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 use of **leverage** magnifies the fund's investment, market and certain other risks. For derivatives with a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. **The Fund is subject to investment risk, including the possible loss of the entire amount you invest.**

Shares of closed-end funds (CEF) are sold in the open market through a stock exchange. Shares may only be purchased or sold through registered broker/dealers. Closed-end funds, unlike open-end funds, are typically not continuously offered. An investment in CEFs presents a number of risks and is not appropriate for all investors. Investors should carefully review and consider potential risks before investing. Closed End Funds (CEFs) are exposed to much of the same risk as other exchange-traded products, including liquidity risk on the secondary market, credit risk, concentration risk and discount risk. Shares of closed-end funds frequently trade at a market price that is below their net asset value. This is commonly referred to as "trading at a discount." This characteristic of shares of closed-end funds is a risk separate and distinct from the risk that the fund's net asset value may decrease.

The ICE BofA US High Yield Constrained Index contains all securities in the ICE BofA U.S. High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Investors cannot invest directly in any index.

Spread generally refers to the difference between two prices or rates. This can be seen in various contexts, including bid-ask spreads in trading, yield spreads on bonds, and credit spreads. The letters or numbers used to express a **credit rating** or credit score express the creditworthiness of the individual, business, or government being assessed. A typical credit rating scale uses the following letter ratings: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. **Basis points (bps)** basis point (bps) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001.

BNY Investment Adviser, Inc. is the fund's investment adviser, and has engaged Alcentra NY, LLC ("Alcentra NY"), to serve as the fund's sub-adviser. Alcentra NY is a global asset management firm focused on sub-investment grade corporate credit.

The fund's investment adviser is BNY Mellon Investment Adviser, Inc. (BNYIA). BNYIA has engaged BSP NY LLC (BSP) to serve as the fund's sub-adviser. BSP is a global asset management firm focused on sub-investment grade corporate credit. BNY Mellon

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Not FDIC-Insured | No Bank Guarantee | May Lose Value

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