BNY Mellon Global Fixed Income Fund

MANAGER COMMENTARY | Q1 2026

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

MARKET REVIEW

The first quarter began with the belief that the global economy might be about to see some acceleration in growth coincide with a continued, albeit slow moderation in inflation, allowing further rate cuts in the US and UK. However, the combined US/Israeli attack on Iran and the expansion into a continuing conflict abruptly altered that perspective. The effective closure of the Strait of Hormuz, which has significantly reduced the global flow and supply of oil from the Middle East, drove oil and gas prices higher, and has meant a significant reassessment of the growth and inflation outlook ahead. Markets have reversed course on interest rate expectations, with some anticipation that central banks may need to raise rates in the near term in an attempt to stifle inflation before it becomes entrenched. Debate as to how long the war will last and how long oil prices will remain high has become a focal topic, with a lack of clarity as to what the main objectives of the key protagonists in the conflict are. Meanwhile, the Russia/Ukraine war has continued, passing the four-year mark, with little sign of progress towards a resolution.

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PERFORMANCE SUMMARY

For the quarter ended March 31, 2026, the Fund's Class I shares returned –0.79%, excluding sales charges. In comparison, the Fund's unmanaged benchmark, the Bloomberg Global Aggregate Index (Hedged), returned –0.15% for the same period.

Average Annual Total Returns (3/31/26)

Share Class / Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Class A (NAV) 12/2/09	-0.82%	-0.82%	2.21%	4.20%	1.07%	2.19%
Class A (4.50% max. load)	-5.30%	-5.30%	-2.41%	2.61%	0.15%	1.72%
Class I (NAV) 1/1/94	-0.79%	-0.79%	2.54%	4.52%	1.37%	2.49%
Bloomberg Global Aggregate Index (Hedged)	-0.15%	-0.15%	3.49%	4.07%	0.81%	2.05%

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 (3/31/26)

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)

Developed market government bonds rose across the quarter, driven sharply higher in March as the war with Iran led energy prices upwards, which in turn reversed expectations for declining inflation into concerns that a higher spike may be protracted. In the US, 10-year US Treasury yields rose by 15 basis points (bp) to 4.32%. German 10-year government bond yields also rose by 15bp to reach 3.00%, Italian 10-year yields rose 36bp, while in Japan and Australia they increased by 29bp and 23bp respectively. UK gilt yields increased even more significantly, rising 44bp over the quarter to 4.92%, rising substantially in March, more than reversing the modest decline experienced in February. Yield levels in the emerging markets also increased, with the J.P. Morgan Emerging Market Bond Index ending 50bp higher at 6.37%.

Credit markets were also weaker, with spread levels widening, moving above the recent historically low levels, although not substantially so. With government yields rising too, yields on corporate bonds rose higher still. The option-adjusted spread (OAS) over governments for the Bloomberg US Corporate Index ended the quarter 11bp wider at 89bp, with the related Bloomberg US Credit Index widening by 10bp, to 83bp. Spreads increased more significantly in high yield markets, with the Bloomberg US Corporate High Yield Index was 51bp wider at 317bp.

The Bloomberg US Investment Grade Corporate Index declined for the first quarter. Oil related sectors, such as independent energy, refining and oil field services companies did well, generating positive excess returns, but most other corporate sectors were negative. Supranationals and foreign local governments and agencies were also positive. Non-cyclical consumer products held up fairly well, as did construction machinery and cable satellite. However, media entertainment was notably negative, along with metals and mining, consumer services, technology and finance and insurance generally, but particularly life insurance.

PERFORMANCE REVIEW

The strategy underperformed its reference benchmark and had a negative total return in the first quarter. Duration positioning contributed positively, chiefly resulting from long exposure to 10-year US and German bunds. However, yield curve trades detracted significantly from performance. Our US “curve steepener” (a long position in 10-year year US Treasuries offset against a short position in 30-year Treasuries) was the largest negative contributor to performance. Both developed and emerging-market country selection, such as long positions in Korea, Australia, Colombia, and Brazil, weighed on alpha. Inflation positioning also detracted, notably from long 30-year US dollar inflation protection versus euro and British pound. Credit strategy and mortgage-backed security exposure further contributed to underperformance. Foreign currency positioning was a bright spot, however, due to positioning in Australian dollar, Swedish krona, Norwegian krone, Japanese yen, and Canadian dollar.

The strategy made several notable positioning adjustments this quarter. Duration remained broadly neutral, with a reduction in 10-year German bunds being offset by an increase in 10-year US Treasuries. Curve positioning was reduced, specifically in the 10s30s Japanese yen flattener and 10s30s US dollar steepener. Emerging-market local positions shifted modestly, trimming Brazil exposure while adding to Peru and Thailand, all of which were versus US Treasuries. 30-year British pound inflation protection was reduced by the same amount 30-year US dollar inflation protection was increased. Mortgage-backed securities beta reductions in 30-year pools early in the quarter were subsequently reversed. Credit beta increased, driven by higher exposure to US dollar and euro credit, with a tilt toward more BBB-rated and less A- and BB-quality names. Synthetic credit exposure was also increased. Foreign currency positioning saw increases in US dollar, British pound, Swedish krona, New Zealand dollar, and Swiss franc, balanced by reductions in Japanese yen, Norwegian krone, and euro.

MARKET OUTLOOK

We believe the Middle East conflict is likely to have a combined dampening effect on global growth largely through its effect on energy prices and a range of other commodities, while also putting upward pressure on inflation. As the conflict continues, its impact on global economic growth is likely to become more severe and prolonged, potentially creating significant problems for many governments already facing difficult fiscal challenges. Central banks, which were either expected to cut rates further or at least remain on hold, may find themselves needing to increase official rates in the face of higher inflation levels and prospects. Further, other geopolitical crises may continue, notably the Russia/Ukraine war, as the West focuses on the Middle East. For the US, the ongoing conflict in the Middle East is heightening risks to the current baseline forecasts for both economic growth and inflation. We see GDP growth of 2.3% in 2026 and 2.2% in 2027, with inflation expected to be 2.6% this year, moderating to 2.4%. However, the potential for variance around those forecasts is elevated. While immediate inflationary pressures are likely to delay any potential rate cuts by the Fed, the effects on growth raise the possibility of further weakness in the labor market. Given the heightened risks to growth stemming from elevated US oil and gas prices, we now expect the US central bank to keep rates unchanged for the time being, and should economic growth deteriorate, rate cuts may likely follow later in the year or in 2027. We see the Fed funds rate at around 3.5% in the next 12 months. We expect 10-year and 30-year Treasury yields to be around 4.05% and 4.70% respectively, though volatility is possible, particularly as the midterm elections approach.

The eurozone economies face headwinds from higher energy prices. As in most regions, the risk is that inflation may rise rapidly in 2026. We expect inflation to be around 2.0% in 2026, moderating slightly in 2027, and we see downside risks to our GDP growth forecasts of 1.5% in 2026 and 1.7% in 2027. We believe the ECB is the least likely of the central banks to dismiss the energy price spike and will be alert for any signs of second-round effects. However, the ECB begins from a stronger position than most others, with inflation close to target and inflation expectations consistent with its target. We expect 10-year German government bond yields to remain close to current levels over the next 12 months, at around 3.00%. However, increased borrowing at longer maturities could push 30-year yields up to 3.5% as the curve steepens.

In emerging markets, we were anticipating Chinese GDP growth to decelerate to just 4.0% in 2026 and further to 3.8% in 2027, even prior to the advent of hostilities in the Middle East. In the event of a widespread global slowdown, China's export sector, often considered a bulwark of the country's momentum, could come under further strain, putting ever greater pressure on the domestic economy to make up any shortfall. We expect inflation to remain positive, at around 1.0% in 2026 and be slightly higher in 2027. The People's Bank of China is likely to make little change to interest rates, while bond yields are expected to move higher over time. In other emerging markets, high energy prices could have a similar dampening effect on activity and push inflation upwards, undermining the ability of many central banks to reduce rates further. At the same time, a reversal of the weakening US dollar trend could further reduce the scope for more central bank rate cuts. If the US economy holds up more strongly than other regions, those countries with greater export exposure to the US market may experience some relative benefits.

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 (Hedged)** is a flagship measure of global investment-grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers. Currency exposure is hedged to the U.S. dollar. **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. The **Bloomberg US Investment Grade 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 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 US Credit Index** measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. 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 1/100th of 1% and is commonly used to indicate interest rates or changes in rates in bonds and other financial instruments.

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