



# BNY Mellon

# Dynamic Total Return Fund

INVESTMENT REPORT  
March 2023

Class A **AVGAX** ★★★★★ Class C **AVGCX** Class I **AVGRX** ★★★★★ Class Y **AVGYX**

Morningstar Rating™ based on risk-adjusted returns as of 3/31/2023 for the fund's Class A and I shares; other classes may have different performance characteristics. Overall rating for the Macro Trading category. Fund ratings are out of 5 stars: Overall 4 stars Class A and I (68 funds rated); 3 Yrs. 3 stars Class A and I (68 funds rated); 5 Yrs. 3 stars Class A and I (61 funds rated); 10 Yrs. 4 stars Class A and I (29 funds rated). **Past performance is no guarantee of future results.\***

**Assets for the Fund**  
\$147,427,520

**Morningstar Category**  
Macro Trading

**Lipper Category**  
Alternative Global  
Macro Funds

**Sub-Adviser**



BNY Mellon Investment Adviser, Inc., has engaged its affiliate, Newton Investment Management North America, LLC ("Newton"), to serve as the fund's sub-adviser.

## Goal/Approach

The fund seeks total return. The fund pursues its goal by normally investing in instruments that provide investment exposure to global equity, bond, currency and commodity markets, and in fixed-income securities. The fund may invest in instruments that provide economic exposure to developed and, to a limited extent, emerging market issuers. The fund may invest up to 30% of its net assets in emerging market issuers and considers emerging market countries to be those included in the Morgan Stanley Capital International Emerging Markets Index.

## Investment Process/Philosophy

The investment team believes that outcomes matter to investors. In the case of BNY Mellon Dynamic Total Return Fund, the desired outcome is better risk-adjusted total returns while managing the downside risks. In seeking to achieve this outcome, we believe a broad suite of investment capabilities is required. Those techniques include:

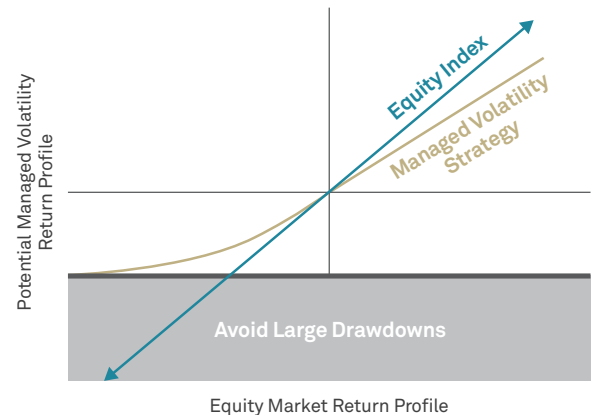
- Global diversification across the widest possible opportunity set
- Dynamic asset allocation that reflects the ever-changing forward-looking fundamentals
- Top-down macroeconomic overlay responsive to changing macroeconomic conditions
- Alternative concepts such as shorting, leverage, and the use of options
- Volatility management in an effort to reduce risk exposure during periods of heightened market risk

## Seeking to Manage Volatility

### Managed Volatility



### Drawdown Mitigation

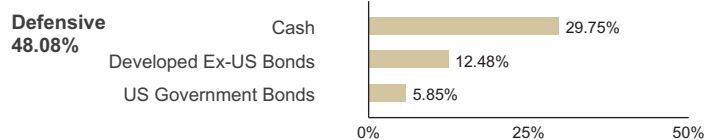
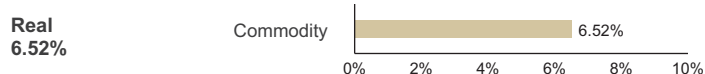
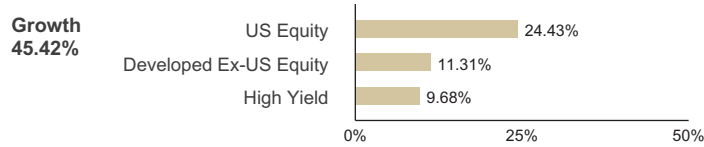


Source: Newton. Charts are provided for illustrative purposes only and are not indicative of the past or future performance of any BNY Mellon Investment Adviser, Inc. product.

All data is as of 3/31/2023 unless otherwise noted.

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.

## Fund Positioning<sup>1</sup>



\*Volatility Risk Premium positioning refers to the total notional exposure.

Source: Newton.

**Growth** — Asset classes with higher historical return and volatility characteristics, such as equities, emerging markets and high yield.

**Defensive** — Asset classes such as developed-market government bonds with lower historical return and volatility characteristics. Exposure to defensive assets may offer a hedge against downside tail risks.

**Real** — Asset classes such as commodities and inflation-linked securities, which traditionally perform well relative to other asset classes during periods of higher inflation. Exposure to real assets may provide a hedge against inflationary periods as well as potential diversification benefits because of their low correlation to traditional stock and bond exposures.

**Opportunistic Strategies** — Portfolio composition by net currency exposure.

## Historical Fund Positioning, One Year (as a % of Market Value)

Asset Type	4/30/22	5/31/22	6/30/22	7/31/22	8/31/22	9/30/22	10/31/22	11/30/22	12/31/22	1/31/23	2/28/23	3/31/23	
<b>Growth</b>	Developed Ex-US Equity	22.5%	20.3%	20.3%	26.6%	25.0%	20.6%	26.5%	13.9%	14.1%	9.0%	9.6%	11.3%
	US Equity	41.0%	32.3%	25.1%	25.2%	11.2%	5.7%	14.1%	29.3%	16.3%	33.1%	21.6%	24.4%
	High Yield	0.0%	0.0%	0.0%	0.0%	—	—	0.0%	4.7%	9.7%	9.4%	9.3%	9.7%
<b>Defensive**</b>	US Government Bonds	27.0%	21.8%	7.8%	14.2%	13.0%	13.7%	22.0%	15.6%	4.8%	10.0%	0.3%	5.9%
	Developed Ex-US Bonds	29.4%	31.7%	31.2%	19.5%	23.9%	17.6%	14.5%	11.2%	15.8%	9.1%	20.7%	12.5%
	Cash	-39.0%	-24.0%	3.0%	1.4%	15.0%	31.1%	13.0%	15.1%	33.9%	24.0%	33.3%	29.8%
<b>Real</b>	Commodity	17.1%	15.9%	10.7%	11.1%	9.9%	9.4%	9.9%	10.2%	5.5%	5.4%	5.2%	6.5%
	US Dollar	110.5%	99.0%	103.4%	98.7%	108.8%	104.3%	106.8%	102.2%	92.8%	97.2%	94.8%	120.1%
	Developed Ex-US	-12.5%	-1.1%	-5.4%	-0.7%	-10.9%	-6.3%	-6.8%	-2.2%	7.3%	2.9%	5.2%	-20.1%
	Volatility Risk Premium Strategy*	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>Growth</b>	<b>65.5%</b>	<b>54.7%</b>	<b>47.4%</b>	<b>53.8%</b>	<b>38.3%</b>	<b>28.2%</b>	<b>40.6%</b>	<b>47.9%</b>	<b>40.0%</b>	<b>51.5%</b>	<b>40.5%</b>	<b>45.4%</b>	
<b>Defensive</b>	<b>17.4%</b>	<b>29.4%</b>	<b>42.0%</b>	<b>35.1%</b>	<b>51.8%</b>	<b>62.4%</b>	<b>49.5%</b>	<b>41.9%</b>	<b>54.5%</b>	<b>43.2%</b>	<b>54.3%</b>	<b>48.1%</b>	
<b>Real</b>	<b>17.1%</b>	<b>15.9%</b>	<b>10.7%</b>	<b>11.1%</b>	<b>9.9%</b>	<b>9.4%</b>	<b>9.9%</b>	<b>10.2%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>6.5%</b>	
<b>TOTAL EXPOSURE<sup>2</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: Newton.

Totals may not be exact due to rounding.

\*\*The fund held a position in US Corporate Bonds of 4.9% as of 4/30/20, 4.6% as of 5/31/20 and 2.6% as of 6/30/20.

<sup>1</sup>Portfolio composition is subject to change at any time.

<sup>2</sup>Net of long and short allocations.

**Total Returns and Rankings<sup>1</sup>**

Share Class/Inception Date	QTR (3/31/23)	YTD (3/31/23)	Average Annual (3/31/23)			
			1 Year	3 Year	5 Year	10 Year
Class A (NAV) 5/2/06	3.44%	3.44%	-3.18%	5.75%	3.05%	3.48%
Class A (5.75% max. load)	-2.49%	-2.49%	-8.73%	3.68%	1.84%	2.87%
Class C (NAV) 5/2/06	3.23%	3.23%	-3.88%	4.94%	2.27%	2.71%
Class C (1.00% max. CDSC)	2.23%	2.23%	-4.84%	4.94%	2.27%	2.71%
Class I (NAV) 5/2/06	3.39%	3.39%	-3.01%	5.98%	3.30%	3.75%
Class Y (NAV) 7/1/13	3.40%	3.40%	-2.95%	6.00%	3.32%	3.90%
Morningstar Macro Trading Percentile Rank (Class I)*	—	—	52	32	39	20
Morningstar Category Rank/Number of Funds in Category*	—	—	43/75	19/68	22/61	4/29
Lipper Alternative Global Macro Funds Percentile Rank (Class I)**	—	—	42	50	39	26
Lipper Category Rank/Number of Funds in Category**	—	—	68/161	76/154	57/148	31/119

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 [im.bnymellon.com](http://im.bnymellon.com) for the fund's most recent month-end returns. The net expense ratio(s) reflect a contractual expense reduction agreement through 3/1/2024, if applicable, without which, the returns would have been lower. Total Expense Ratios: Class A 1.72%, Class C 2.48%, Class I 1.46%, Class Y 1.35%. Net Expense Ratios: Class A 1.40%, Class C 2.15%, Class I 1.15%, Class Y 1.15%. Not all classes of shares may be available to all investors or through all broker-dealer platforms.

**Contribution by Asset Class/Sector (Gross Fees)<sup>2</sup>**

	Fund End Weight	Q123 Contribution	5-Year Contribution
<b>Growth</b>	<b>45.42%</b>	<b>2.27%</b>	<b>3.45%</b>
Developed Ex-US Equity	11.31%	1.15%	1.50%
US Equity	24.43%	0.80%	1.34%
EM Equity	0.00%	0.00%	-0.08%
High Yield	9.68%	0.32%	0.69%
EM Debt	0.00%	0.00%	0.00%
<b>Defensive</b>	<b>48.08%</b>	<b>2.38%</b>	<b>0.85%</b>
US Government Bonds	5.85%	0.80%	0.93%
US Corporate Bonds	0.00%	0.00%	0.00%
Developed Ex-US Bonds	12.48%	1.58%	-0.20%
Investment Grade Corporates	0.00%	0.00%	0.12%
Cash	29.75%	0.00%	0.00%
<b>Real</b>	<b>6.52%</b>	<b>-0.33%</b>	<b>0.27%</b>
Commodity	6.52%	-0.33%	0.26%
US TIPS	0.00%	0.00%	0.01%
<b>Opportunistic Strategies</b>	<b>N/A</b>	<b>-0.68%</b>	<b>-0.17%</b>
Currency	N/A	-0.72%	0.08%
Volatility Risk Premium Strategy	N/A	0.04%	-0.25%

**Five-Year Portfolio Statistics<sup>3</sup>**

	Fund (Class I)	MSCI World Index
Beta	0.50	1.00
Annualized Standard Deviation	10.04	17.96
R-Squared	80.43%	100.00%
Sharpe Ratio	0.19	0.37

**Exposure by Country<sup>4</sup>**

	Equity	Bond	Currency
<b>North America</b>			
United States	24.43%	15.53%	120.05%
Canada	2.33%	-15.18%	1.67%
<b>Euro Area</b>			
Italy	3.87%	0.00%	0.00%
France	3.77%	0.00%	0.00%
Spain	3.56%	0.00%	0.00%
United Kingdom	2.33%	-0.95%	-10.13%
Sweden	0.00%	0.00%	-6.14%
Norway	0.00%	0.00%	0.38%
Germany	-2.35%	-0.16%	0.00%
Netherlands	-3.04%	0.00%	0.00%
Switzerland	-3.71%	0.00%	-12.56%
<b>Euro (Currency)</b>	0.00%	0.00%	16.12%
<b>Other</b>	0.00%	0.00%	-0.12%
<b>Asia Pacific</b>			
Australia	3.88%	8.09%	-11.39%
Japan	0.52%	20.68%	-3.87%
Hong Kong	0.09%	0.00%	0.00%
New Zealand	0.00%	0.00%	5.98%

<sup>1</sup>Investors should consider, when deciding whether to purchase a particular class of shares, the investment amount, class restrictions, anticipated holding period and other relevant factors. <sup>2</sup>The attribution analysis is calculated by Newton and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. It does not reflect the deduction of fees or expenses and, therefore, is not a precise measure of performance and should not be relied upon for investment decisions. Portfolio composition is subject to change at any time. The holdings or sector allocations indicated should not be construed as recommendations to buy or sell a security. Totals may not be exact due to rounding. <sup>3</sup>Source: FactSet. <sup>4</sup>Source: Newton.

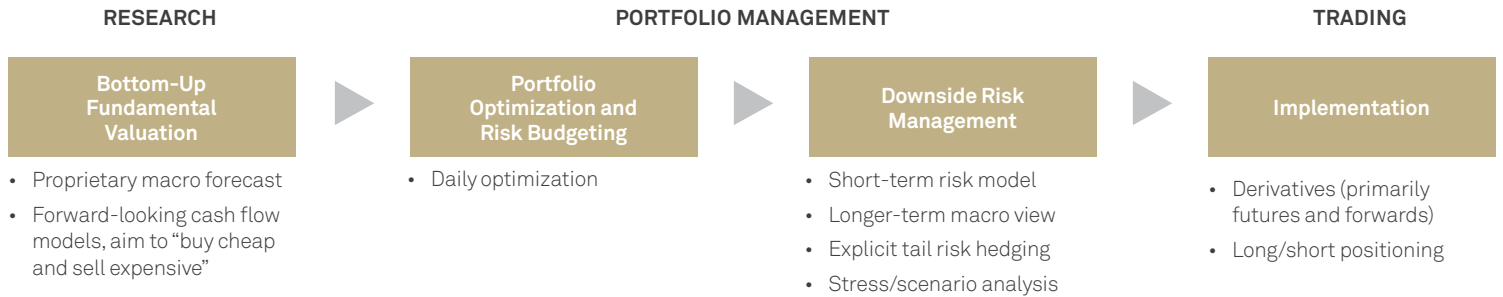
\*Source: Morningstar. \*\*Source: Lipper.

All rankings are based on total return and do not reflect sales loads.

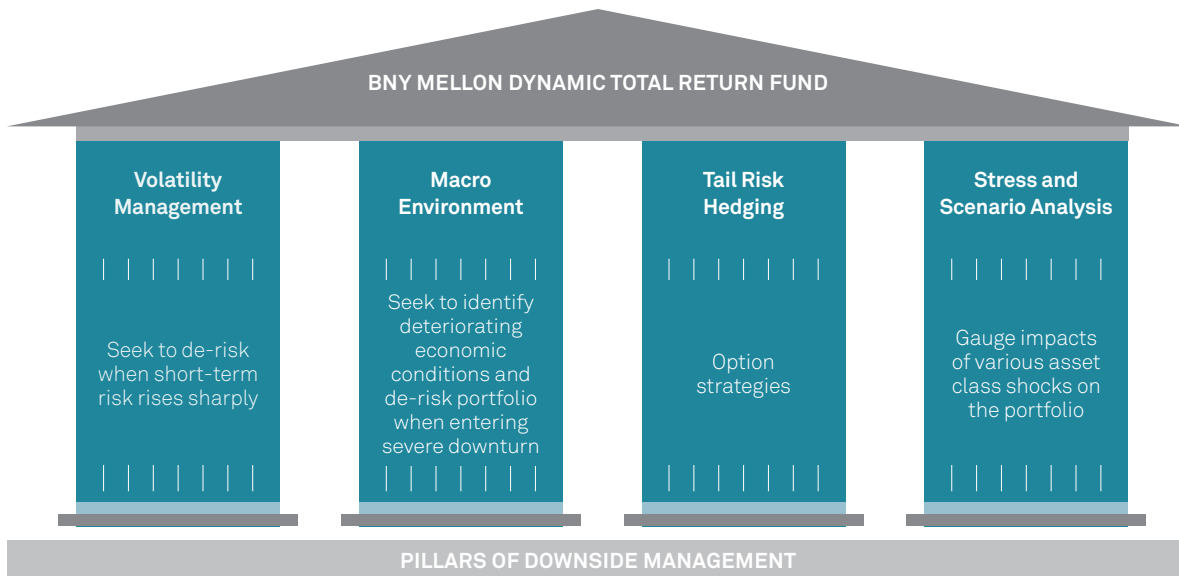
**Investment Process**

BNY Mellon Dynamic Total Return Fund employs a volatility-managed, multi-asset approach, allocating across and within global asset classes. Using a bottom-up valuation process with a top-down macroeconomic overlay, the fund seeks to maximize the risk-adjusted total return outcome while effectively managing downside risk over a full market cycle. The process is

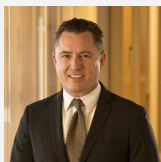
systematically implemented and can actively shift assets among global equities, bonds, currencies, and commodities. The fund can also deploy a range of alternative techniques such as shorting, leverage and the use of options.



**Downside Risk Management**



**Portfolio Management**



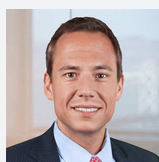
**James Stavena, CFA**  
 Managing Director  
 Portfolio Manager  
 24 years with the firm  
 31 years with the industry  
 12 years with the fund



**Torrey Zaches, CFA**  
 Director  
 Portfolio Manager  
 24 years with the firm  
 28 years with the industry  
 12 years with the fund



**Dimitri Curtil**  
 Managing Director, CIO, Head of Multi-Asset  
 16 years with the firm  
 17 years with the industry  
 2 years with the fund



**Roberto Croce**  
 Portfolio Manager  
 4 years with the firm  
 12 years with the industry  
 0 years with the fund

Years of experience may include partial year periods.

## Risks

**Bonds** are subject generally 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. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be appropriate for all investors. **Derivatives and commodity-linked derivatives** involve 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. Commodity-linked derivative instruments may involve additional costs and risks such as commodity index volatility or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. 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. **Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees. 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. **Short sales** involve selling a security the portfolio does not own in anticipation that the security's price will decline. Short sales may involve risk and leverage, and expose the portfolio to the risk that it will be required to buy the security

\*Source: Morningstar. The Morningstar Rating™ for funds, or "star rating," is calculated for managed products with at least a 3-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance (not including the effects of sales charges, loads and redemption fees if applicable), placing more emphasis on downward variations and rewarding consistent performance. Managed products, including open-end mutual funds, closed-end funds and exchange-traded funds, are considered a single population for comparative purposes. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. ©2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.** The fund represents a single portfolio with multiple share classes that have different expense structures. Other share classes may have achieved different results. Ratings do not reduce investment risk and are subject to change.

**Rankings:** Morningstar percentile rankings is a standardized way of ranking items within a peer group, in this case, funds within the same Morningstar Category. The observation with the largest numerical value is ranked zero; the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable for returns (high returns), while higher percentile ranks are generally more favorable for risk measures (low risk). Lipper Category returns and rankings are calculated by Lipper Inc., a Reuters Company, which is a nationally recognized organization that compares the performance of mutual funds with similar investment objectives. The category returns represent the average performance of included funds, while rankings compare an individual fund's returns to those of the other funds in its category. Rankings are based on total return performance, with capital gains and dividends reinvested, with annual operating expenses deducted, but without including front or back-end sales charges. Rankings begin with the actual share class inception. Rankings are relative to a peer group and do not necessarily mean that the fund had high total returns. Rankings do not reflect sales loads. Rankings do not reduce investment risk and are subject to change. **Past performance is no guarantee of future results.**

sold short at a time when the security has appreciated in value, thus resulting in a loss. *Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and affected certain companies, industries and market sectors more dramatically than others. To the extent the fund may overweight its investments in certain companies, industries or market sectors, such positions will increase the fund's exposure to risk of loss from adverse developments affecting those companies, industries or sectors.*

**Asset allocation and diversification** cannot ensure a profit or protect against loss.

**Drawdown** is the peak-to-trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak and the trough. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

## Index Definitions

The **MSCI World Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets. Reflects reinvestment of net dividends and, where applicable, capital gain distributions.

## Definitions

**Beta** is a measure of a security's or portfolio's volatility, or systematic risk. **Standard deviation** is a statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater the degree of dispersion, the greater the degree of risk. In mutual funds, the standard deviation tells us how much the return on the fund is deviating from the expected normal returns. **R-squared** is a statistical measure that represents the percentage of a fund's or security's movements that are explained by movements in a benchmark index.

**Sharpe ratio** is a risk-adjusted measure that measures reward per unit of risk. The higher the Sharpe ratio, the better.

## Learn More

Call 1-800-373-9387 or visit [im.bnymellon.com](https://im.bnymellon.com)

---

**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 [im.bnymellon.com](https://im.bnymellon.com). Read the prospectus carefully before investing. Investors should discuss with their financial professional the eligibility requirements for Class I and Y shares, which are available only to certain eligible investors, and the historical results achieved by the fund's respective share classes.**

This material has been provided for informational purposes only and should not be construed as investment advice or a recommendation of any particular investment product, strategy, investment manager or account arrangement, and should not serve as a primary basis for investment decisions. Prospective investors should consult a legal, tax or financial professional in order to determine whether any investment product, strategy or service is appropriate for their particular circumstances. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission. BNY Mellon Investment Adviser, Inc., Newton Investment Management North America, LLC and BNY Mellon Securities Corporation are companies of The Bank of New York Mellon Corporation. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. © 2023 **BNY Mellon Securities Corporation**, distributor, 240 Greenwich Street, 9th Floor, New York, NY 10286.