BNY Mellon Natural Resources Fund

CLASS A **DNLAX** CLASS C **DLDCX** CLASS I **DLDRX**

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

BNY Mellon Natural Resources Fund (Class I) underperformed its benchmark, the S&P 500 Index, during the first quarter of 2023. The fund underperformed the S&P Global Natural Resources Index, which more closely reflects the fund's composition, during the same time period. Favorable stock selection in the refining-and-chemicals subsector contributed to relative performance, as did our lack of exposure to the forest-products-and-other space. Overweight positioning and unfavorable stock selection in the U.S./onshore upstream segment detracted from relative returns. Our lack of exposure to steel also weighed on relative results, as the subsector rallied on optimism over China's reopening and the end of its zero-Covid policy.

Equity markets returned to risk-on mode and registered gains in the first quarter despite the collapse of several high-profile banks. Central banks continued to hike rates, although both the U.S. Federal Reserve (the "Fed") and the Bank of England (BOE) slowed the pace of their respective rate hikes. Returns were diverse, with growth stocks regaining favor — the technology-heavy Nasdaq Composite posted its best quarter since 2020 — and financials lagging most as investors rotated back into higher-risk assets. For the quarter, the Standard & Poor's (S&P) 500® Index rallied 7.50%, the MSCI EAFE Index, a measure of non-U.S. developed markets, jumped 8.47% and the MSCI Emerging Markets Index added 3.96%.

In the U.S., equities posted gains on optimism that the easing of pricing pressures would allow the Fed to decelerate or pause interest rate hikes later this year, even as the collapse of several high-profile banks briefly sent markets lower. The Fed's preferred inflation measure, the personal-consumption-expenditures (PCE) index, continued to trend downward during the quarter, further lifting hopes that monetary policy was achieving its desired effect. In total, the Fed has raised the benchmark federal-funds rate twice in 2023, bringing the target range to between 4.75% and 5%. Banking stocks suffered amid liquidity concerns after regulators dissolved both Silicon Valley Bank and Signature Bank. While employment numbers moderated in February, following robust January data, Fed Chairman Jerome Powell again noted that "labor markets continue to be out of balance." Reversing the upward trend of most of 2022, the yield on the 10-year Treasury note dropped, ending the quarter at 3.47%. The U.S. dollar weakened against an index of its peers.

Developed markets advanced even as bank contagion fears spread across the Atlantic. Faced with rapidly deteriorating conditions, Switzerland's 167-year-old bank, Credit Suisse, was taken over by rival UBS in a deal orchestrated by the Swiss National Bank. Inflationary pressures eased in the eurozone in February but rose again in March. Most notably, core inflation—which excludes volatile items such as food and energy and is used to gauge future price increases—hit a record high during the quarter. The European Central Bank and the BOE raised rates in both February and March. In Japan, the central bank intervened after the yield on its 10-year government bond breached the top end of its band. The Bank of Japan (BOJ) continued to leave rates unchanged as BOJ Governor Haruhiko Kuroda, the main advocate for Japan's loose monetary policy, retired. However, new Deputy Governor Shinichi Uchida stated that changes to the central bank's bond yield control policy would be possible if economic and price conditions justified the phasing out stimulus.

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

Emerging markets rose during the quarter as China officially lifted its zero-Covid restrictions. China's official manufacturing purchasing managers' index and measure of the private sector surprised markets with its fastest growth in a decade during February. However, the Caixin PMI slipped back to 50 in March, the level between a contraction and an expansion. Following two devastating earthquakes, the Turkish government buoyed the stock market with a $1 billion injection into the country's main stock exchange via exchange-traded funds. Following a jump in inflation, Mexico's central bank stunned investors by raising interest rates by 50 basis points in February and again in March.

Commodities lagged during the quarter, with the Dow Jones Commodity Index easing by 3.55%. Oil prices fluctuated, dropping in January and February amid supply constraints but recovering in March after imports hit a two-year low. Natural-gas prices fell as winter ended in the Northern Hemisphere. Meanwhile, gold prices rallied amid a weakening dollar and a flight to safety.

Stock Review

Key Contributors

Transocean Ltd.: The energy services firm advanced, as day rates for offshore rigs continued to rally at the onset of an offshore upcycle.

Frontline Plc: The oil tanker shipping company outperformed, as day rates continued to be robust owing to Russian oil volume displacements and increases in global ton miles.

Freeport-McMoRan: The metals-and-mining company benefitted from the rally in copper prices amid optimism over China's reopening and the end of its zero-Covid policy.

Key Detractors

CF Industries Holdings: Shares of the global nitrogen fertilizer and ammonia producer were weak for the quarter, as global nitrogen prices have dropped due to lower natural-gas prices. As the majority of the company's assets are U.S.-based, and as the U.S. remains advantaged in its natural-gas feedstock, we remain constructive on its prospects.

ConocoPhillips: The oil producer lagged for the quarter, as oil prices remained range bound and investor pessimism weighed on sentiment.

Fluor Corporation: The engineering and construction company underperformed amid investor fears that a global recession could weigh on global construction activities.

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

We remain highly convicted in the natural resources sector and foresee a tight supply/demand environment in the coming years. Inflation has started to permeate throughout the global economy, and the supply response could take some time to alleviate inflationary pressures. The rise of environmental, social and governance (ESG) matters should continue to distort price signals to commodity producers, thereby exacerbating supply shortfalls. We believe that the prospect of a recession is overly discounted into our commodity holdings, especially as the Chinese

economy reopens. Our analysis suggests that demand impacts to energy and agriculture, our major overweight positions, should be relatively moderate. Our investment process and style remain unchanged, and we continue to seek investments in areas where the commodity macroeconomic and company-specific factors are aligned. The sector remains one of the best sources of overall strategy diversification, inflation protection and dividend yield generation.

Agriculture and Forest Products

We are equally weighted the agriculture sector with positioning across the entire supply chain. We expect Chinese demand to remain robust and U.S. farmers to benefit greatly from high grain prices. The Russia/Ukraine war should have disruptive effects across the grain sector, as the region is a major exporter of grains as well as inputs needed in the agricultural sector, such as natural gas to produce nitrogen fertilizer and potash. Weather continues to be volatile globally, and we believe that climate change should be a structural driver for the agriculture sector going forward. We remain bullish on the input names, such as fertilizers and seeds as well as processors, as farmers should use their higher income to plant higher acreages.

Energy

The oil market is currently in a very tight supply and demand phase. Supply is not reacting to higher commodity prices, while demand continues to recover from the pandemic. The Organization of the Petroleum Exporting Countries (OPEC) has been effective at maintaining supply discipline, and previous growth areas such as the U.S. Permian Basin are struggling to meaningfully increase production. Our biggest relative overweight is the oilfield services sector, as activity continues to ramp up globally and excess service capacity is worked out of the system. We believe we are in the early innings of an offshore cycle, and we are positioned in various oilfield services names to gain exposure.

We have significantly trimmed our natural-gas positions as a record warm winter has allowed the global natural-gas inventory to grow. Over the long term, we still believe natural gas is an attractive investment, as producers remain disciplined, infrastructure limited and global demand high on a normalized weather basis.

Metals & Mining

Copper, aluminum and uranium remain our highest conviction metals-and-mining commodities. Our three largest positions offer both cyclical (i.e., robust demand and limited supply) as well as secular (i.e., energy transition material) exposures. The strategy also has an emerging position in uranium equities, and we foresee a supply/demand imbalance in the coming years. We have been adding back exposure to the metals sector, as we see risk as sufficiently discounted into the share prices and positive risk/reward opportunities. We have also been building out our uranium exposure. We believe we are at the cusp of a multiyear bull market, as supply significantly lags demand and nuclear gains more traction as a good transition fuel source.

Energy Transition

We continue to be energy transition thematic bulls and view the sector as very attractive from a stock picking and thematic environment. The strategy targets a holistic approach and is involved across the value chain—invested in utilities/developers as well as equipment manufacturers and grid integrators as well as energy transition materials.

Going forward, we believe this sector should continue to be a substantial source of alpha and return generation for the strategy.

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, investors should contact their financial professional or visit im.bnymellon.com. Investors should read the prospectus carefully before investing. Not all classes of shares may be available to all investors or through all broker-dealer platforms.

Risks

Equities are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. **Small and midsized company stocks** tend to be more volatile and less liquid than larger company stocks as these companies are less established and have more volatile earnings histories. 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. **Currencies** are subject to the risk that those currencies will decline in value relative to a local currency or, in the case of hedged positions, that the local currency will decline relative to the currency being hedged. These risks generally are greater with emerging market countries. **Commodities** contain heightened risk including market, political, regulatory, and natural conditions, and may not be suitable for all investors. The **natural resources sector** can be affected by events occurring in nature, inflation, and domestic and international politics. Interest rates, commodity prices, economic, tax, and energy developments, and government regulations may affect the natural resources sector and the share prices of the companies in the sector.

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.

The S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. The S&P Global Natural Resources Index includes 90 of the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across three primary commodity-related sectors: agribusiness, energy, and metals & mining. This is not a benchmark for the fund. The Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE®) Index is a free float-adjusted, market capitalization-weighted index that is designed to measure equity performance in developed markets, excluding the United States and Canada. The index consists of select designated MSCI national developed market indices. This is not a benchmark for the fund. The MSCI Emerging Markets Index is a free float-adjusted, market capitalization-weighted index that is designed to measure the equity performance in global emerging markets. The index consists of 22 MSCI emerging-market national indices. This is not a benchmark for the fund. The Consumer Price Index is a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The personal consumption expenditure (PCE) measure is the component statistic for consumption in gross domestic product (GDP) collected by the United States Bureau of Economic Analysis (BEA). It is essentially a measure of goods and services targeted towards individuals and consumed by individuals. The Dow Jones Commodity Index is a broad measure of the commodity futures market that emphasizes diversification and liquidity through a simple, straightforward, equal-weighted approach. The index tracks 28 different commodities, from agricultural to precious metals to energy products. The Caixin China Manufacturing Purchasing Managers Index is a composite indicator designed to provide an overall view of activity in the manufacturing sector and acts as a leading indicator for the whole economy. When the PMI is below 50.0 this indicates that the manufacturing economy is declining and a value above 50.0 indicates an expansion of the manufacturing economy. An investor cannot invest directly in any index.

As of 3/31/23, the fund's top 10 holdings were: Freeport-McMoRan 5.11%, Occidental Petroleum 4.78%, Hess 4.75%, Alcoa 4.67%,Teck Resources 4.61%, Shell 4.57%, Schlumberger NV 4.31%, Cameco 4.23%, ConocoPhillips 4.14%, Nutrien 3.52%.

As of 3/31/23, the companies mentioned represented 20.68% of the fund's portfolio in the aggregate. The holdings listed should not be considered recommendations to buy or sell a particular security. Other holdings may not have performed as well as some of those listed herein. Portfolio composition is subject to change at any time.

Views expressed are those of the author stated and do not reflect views of other managers or the firm overall. Views are current as of the date of this publication and subject to change.

"Newton" and/or "Newton Investment Management" refers to Newton Investment Management North America LLC. Newton is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser. Newton is a subsidiary of The Bank of New York Mellon Corporation.

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular investment, strategy, investment manager or account arrangement and should not serve as a primary basis for investment decisions. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Please consult a legal, tax or financial professional in order to determine whether an investment product or service is appropriate for a particular situation. 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 (the fund's sub-investment adviser) BNY Mellon Securities Corporation are companies of BNY Mellon. © 2023 **BNY Mellon Securities Corporation**, distributor, 240 Greenwich Street, 9th Floor, New York, NY 10286.

MARK-373814-2023-04-19