BNY Mellon Research Growth Fund, Inc.

CLASS A **DWOAX** CLASS C **DWOCX** CLASS I **DWOIX** CLASS Z **DREQX**

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

BNY Mellon Research Growth Fund (Class I) outperformed its benchmark, the Russell 1000® Growth Index (the "Index"), during the first quarter of 2023. The Information Technology sector was the primary driver of performance for the quarter, along with the Consumer Discretionary sector. Positioning within the Energy sector weighed the most on relative returns; Materials also detracted.

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.

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

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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.

Market Environment

Sector Review

Positive Impacts

Information Technology: Stock selection contributed to the sector in the IT Services and the semiconductor and semiconductor equipment spaces.

Consumer Discretionary: Stock selection in the sector benefited returns.

Negative Impacts

Energy: An overweight to the Energy sector was the largest driver of underperformance for the quarter.

Materials: Security selection and positioning detracted in the Materials sector, particularly in the metals and mining subsector.

Stock Review

Key Contributors

NVIDIA Corporation: Nvidia Corporation is primarily engaged in designing chips used in data centers and PC gaming. Over the past few years, the trend for using the firm's GPUs (graphics processing units) for artificial intelligence has taken off, driven by the need for more precision advertising targeting, and more recently generative AI. We like Nvidia longer term due to strong competitive moats and believe that we are still in the early stages of an S-curve adoption for artificial intelligence.

Apple: Apple saw investor interest as its strong balance sheet put it in positive light. This enables the company to rely on internal funding to underwrite growth initiatives across focus areas of payments, wearables, advertising and also iPhones. As a quality name more exposed to wealthier segments of developed market consumers, Apple is expected to show more resilience in a downturn than the overall market.

Tesla: Tesla contributed as positive momentum continued in February after the electric vehicle maker reported fourth-quarter results. The stock also performed ahead of their investor day on March 1 where the market was expecting key announcements on future capacity and future products. We continue to keep a positive view on Tesla, being amongst the leaders in global electric vehicle volumes. We believe the company has secular growth opportunities as regions around the world set targets to end the sale of internal combustion engine power passenger vehicles. In our view, Tesla maintains a competitive advantage due to is leading innovation and increasing vertical integration.

Key Detractors

Eli Lilly and Company: Over the period, shares of Eli Lilly and Company, a large biopharma company, fell after the company received a non-approval letter for Donanemab, its drug to treat Alzheimer's disease. Despite this hurdle, we expect the FDA to act favorably on the drug when Eli Lilly reports its phase 3 pivotal data for the drug. We continue to see opportunities for the biopharma company given its positive revenue growth and inflecting EPS growth, thanks to its new medicine for both diabetes and obesity, among other drivers.

BILL Holdings: Bill Holdings is a business-to-business payments automation company, which detracted on no company-specific news. Bill has a large addressable market as small businesses convert to Bill's software and payments platform to automate paper-based account payable/accounts receivable processes, which replace manual, paper-based processes.

RH: RH is a differentiated retailer making the transition to a luxury goods company. Shares of the company fell after the luxury furniture chain forecast full-year and first-quarter sales that came in below expectations, as they believe that a housing-market slump could weigh on its customers.

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

The outlook heading into the second quarter is mixed, with some expecting equities to rally further and others warning of a looming recession. The Fed has done considerable work thus far to curb inflation, with signs that their actions are beginning to have an effect. However, the current challenging conditions could worsen if the economy falls into a recession, which is now more likely as the Fed remains committed to policy that seeks to cool both inflation and employment. Fears of a domino effect of failing banks has thus far not materialized, making investors more optimistic that the worst of the March mini crisis is over. However, we believe two key market determinants will remain front and center in April: inflation and interest rates. The consumer price index gained 6% year-over-year in February, down from peak inflation levels of 9.1% in June 2022, but still well above the Federal Reserve's traditional 2% long-term target, which may be unrealistic given the global complexities of supply chains, commodities, and geopolitical concerns. Many traders and economists forecast an approximate 49% chance that the Fed will raise rates by another quarter point at the May 3 meeting—and a 51% chance it could pause on rates, according to CME Group. The Fed's aggressive initiative to wrangle rampant inflation caused much of the market volatility in 2022 and the angst so far in 2023.

The outlook for equities will depend on how the economy performs and how the Fed responds to inflation and interest rates. The U.S. economy is showing signs of weakness, and the global economic and geopolitical picture is pessimistic. We believe the main risk for the stock market this year would be a significant deterioration of economic indicators. We already know that corporate earnings are likely to be under pressure, but the magnitude, duration, and impact are unknown. The availability of jobs and low unemployment has more than offset the negative impact from recent banking crises, but recession risks are still elevated as the Fed nears the end of its rate-hiking campaign. Many of the stocks with the highest growth expectations in 2022 suffered in the face of rising rates and persistent inflation but staged a solid rally entering the new year and closing out the first quarter as investors were confident the inflection point for the Fed is near. Whether that is true or not will become clearer in the next few quarters, and in the meantime, we believe investors need to remain vigilant and actively position portfolio holdings to weather the potential for continued volatility.

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Past performance is no guarantee of future results.

Risks

Equities are subject to market, market sector, market liquidity, issuer, and investment style risks, 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.

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.

As of 3/31/23, the fund’s top ten holdings were: Apple 8.40%, Microsoft 8.30%, Alphabet 6.90%, Amazon.com 6.62%, NVIDIA 5.30%, Eli Lilly 3.32%, DexCom 2.23%, Shopify 2.19%, EQT 2.18%, AMETEK 1.95%.

As of 3/31/23, the companies mentioned represented 18.23% 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. Fund composition is subject to change at any time.

The Russell 1000® Growth Index is an unmanaged index which measures the performance of the Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. This is not the benchmark for the fund. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. This is not the benchmark for the fund. 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. This is not the 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 Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. An investor cannot invest directly in any index.

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