BNY Mellon Core Plus Fund

CLASS A **DCPAX** CLASS I **DCPIX** CLASS Y **DCPYX**

Market Review

The first quarter saw further interest rate increases from most of the major central banks, including the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE) with a continued focus combatting inflation. However, as headline inflation in many areas began to show signs it may have peaked – despite food price inflation having yet to moderate – attention turned to the coming economic slowdown arising from the effects of the monetary tightening that had already taken place. There was a slight softening of hawkish rhetoric as concerns grew of emerging recessions. In January, the World Bank cuts its forecasts for 2023 economic growth to just 1.7%, and suggested the global economy faces a possible recession this year owing to the perfect storm of rising interest rates, still-elevated inflation, falling demand and the ongoing distortion caused by the war in Ukraine. The quarter ended with increased concerns that a financial sector crisis may be approaching following the demise of two US regional banks and the rescue and takeover of Credit Suisse. Against this backdrop, government bonds were generally stronger as yields ended lower; and risk assets also generally performed well with gains for corporate bonds and equities.

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While the Fed increased rates twice more, taking the Fed Funds rate to 4.75% to 5%, the tone from policymakers became less strident. Concerns for the US economy increased despite the strength of the labor market, with some leading indicators, such as the ISM Purchasing Managers Index for manufacturing, continuing to indicate contraction. The strength of the labor market is perhaps a key reason why consumer sentiment (as measured by the University of Michigan) has held up as well as it has, but March did see a notable decline in that measure as well as a greater-than-expected decline in the same survey's consumer expectations measure. The quarter was punctuated by the failure of two US regional banks, Silicon Valley Bank and Signature Bank, which triggered a sharp decline in Treasury yields as concerns for financial stability grew.

In credit, the Bloomberg US IG Credit Index had an excess return of 21bp, as weakness in February and March eroded most of the gains achieved in January. The best performing sectors, all with positive excess returns, were media entertainment and communications generally, along with aerospace/defense, food and beverage, and airlines. The primary drags on excess returns were life insurance, real estate investment trusts (REITs), brokerages and asset managers, and railroads.

In emerging markets, economic activity in China appears to be growing strongly after strict COVID policies were abandoned. Purchasing managers indices for both manufacturing and services improved materially. Inflation has fallen sharply in China as food price inflation declined materially later in the period, but interest rates have remained unchanged. Inflation in other key emerging markets also continued to decline: in Mexico, the 7.62% annual rise in prices was the lowest in 12 months, however, the Banco de Mexico still raised interest rates twice during the period as business confidence appears to be improving; Brazilian inflation continued to slow, though interest rates remain high; and in India, the central bank raised interest rates in February as inflation surprised to the upside, but price pressures eased slightly in March. Data suggests the outlook for economic growth in India is improving.

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

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Quarterly Performance

For the quarter ended March 31, 2023, the fund's class I shares returned 3.40%, excluding sales charges. In comparison, the fund's unmanaged benchmark, the Bloomberg U.S. Aggregate Bond Index, returned 2.96% for the same time period.

Average Annual Total Returns (3/31/23)[1]

Share Class/Inception Date	3 Month	1 Year	3 Year	5 Year	10 Year
Class A (NAV) 02/02/18	3.34%	-5.12%	-0.54%	1.50%	2.05%
Class A (4.50% max. load)	-1.37%	-9.36%	-2.05%	0.57%	1.58%
Class I (NAV) 02/02/18	3.40%	-4.88%	-0.30%	1.76%	2.19%
Class Y (NAV) 12/02/10	3.41%	-4.95%	-0.26%	1.78%	2.20%
Bloomberg U.S. Aggregate Bond Index	2.96%	-4.78%	-2.77%	0.91%	1.36%

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 for the fund's most recent month-end returns. The net expense ratio(s) reflect a contractual expense reduction agreement through 9/1/2023, without which, the returns would have been lower. Total Expense Ratios: Class A 0.72%, Class I 0.46%, Class Y 0.40%. Net Expense Ratios: Class A 0.70%, Class I 0.45%, Class Y 0.40%. Not all classes of shares may be available to all investors or through all broker-dealer platforms. Other share classes are subject to different fees and expenses and would have achieved different returns.

[1]The BNY Mellon Insight Core Plus Fund ("Fund") commenced operations after the assets of a predecessor mutual fund reorganized into the fund on 2/2/18. Performance for Class Y is the performance from the predecessor fund. The predecessor fund was the Cutwater Investment Grade Bond Fund, Institutional Class, incepted on 12/2/2010, and was renamed to the Insight Investment Grade Bond Fund following BNY Mellon's purchase of Cutwater Asset Management on 1/2/2015. The total return performance figures for Class A and I shares of the Fund represent the performance of the Funds Class Y shares for periods prior to 2/2/18, the inception date for Class A and I shares, and the performance of Class A and I shares, from that inception date. Performance reflects the applicable class distribution/servicing fees since the inception date. 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. Additionally, on 10/19/2018 the Fund received the merged assets of Dreyfus Intermediate Term Income Fund, the performance of which is not reflected above.

Performance Summary

Security selection decisions were the largest drivers of outperformance led by selection in agency MBS, banking, transportation, and consumer cyclicals. Selection in ABS also added to performance while selection within emerging markets detracted. Duration and yield curve positioning was additive as the fund's exposure to longer maturities added to performance.

Sector allocation decisions were a modest overall detractor. While the fund benefitted from overweight allocations to high yield and investment grade corporates, this was more than offset by an overweight allocation to emerging markets. Allocation at the industry level was a modest positive led by overweight allocations to energy and communications.

The fund maintained a modest duration underweight initiated at the end of January paired with a slight flattening bias given the prospect of continued rate hikes. Towards the end of the period, the fund moved to a neutral overall duration stance closing its underweight to the more policy-sensitive front-end of the yield curve as the Fed appears to be approaching the end of its hiking cycle. Furthermore, banking turmoil added uncertainty to the outlook while likely driving financial conditions tighter via more stringent lending standards. From a credit perspective, the fund added slightly to high yield corporates across the aerospace, gaming, and financial industries. Later in the period, the fund focused adding on shorter maturities with attractive yields. Still, high yield exposure remains slightly below

the fund's historical average given the slowing growth outlook. The overall allocation to investment grade corporates held steady as inflows allowed the fund to add positions in energy, technology, and biotechnology without significantly increasing the fund's overall corporate exposure. An allocation to agency mortgage-backed securities and asset-backed securities remained steady, while exposure to emerging markets was reduced.

Market Outlook

As the effects of higher interest rates feed through some slowing in economic activity may occur, but the outlook for global growth shows some signs of improvement. Few expect a surge in activity in 2023 or 2024, and recent events in the banking sector highlight the fragility of some constituent parts. While we do not consider it likely that the recent turmoil will broaden into a more widespread banking sector crisis, it may discourage some central banks from increasing interest rates further if they can point to improvements in inflation. Broadly, the emerging markets may be slightly ahead of the developed markets in the economic cycle, as long as inflation continues to dip. However, any worsening in the Russia-Ukraine conflict could challenge this.

We expect growth to slow notably in 2023, to around 1.0%-1.5%, as the economy feels the full effects of the Fed's rapid monetary tightening over the last 12 months. We do not envisage a recession but a gradual recovery as 2024 progresses, resulting in overall GDP growth of around 1% or less for the year. We expect a slow recovery as current strength in consumer spending is ebbing away due to tighter bank lending and the resumption of student loan payments that were suspended during the pandemic. Our expectation remains that the Fed is likely to increase rates a little further, but it may feel the need to do more if inflation does not fall rapidly enough.

We believe the recent collapse of two regional banks in the US and the troubles at Credit Suisse are more of a result of idiosyncratic issues rather than necessarily being the start of a broader systemic financial crisis and policymakers have moved quickly to restore confidence. A key question remains as to how much these issues will lead to tighter financial conditions and what impact that will have upon economic growth. We believe the widening in spreads following this mini-crisis presented an attractive opportunity to add some risk in investment grade credit. Although central banks face a tricky balancing act, headline inflation appears to have peaked globally; supply chain bottlenecks have largely dissipated, and commodity prices have softened. This should give central banks greater flexibility as inflation returns towards target, and economic activity appears to be weathering the storm, at least for now. The income provided by investment grade credit is sufficient to provide attractive returns and help to mitigate any potential increase in government bond yields. There is also the potential for spreads to rally later in the year once confidence grows that rates have peaked, and recession has been avoided.

High yield credit remains extremely well positioned relative to previous downturns in our view. 80% of the US high yield issuers have no material maturities until 2025. We expect default rates to gradually trend upward to around 3% in 2023. For Short Dated HY we expect a strong positive return over the year given current market conditions. Although positive on the market as a whole, we remain conscious that the economic environment is likely to be slower than for some years. This leaves us tactically positive and seeking value in selective names and sectors that we believe have positive long-term fundamentals.

In structured credit, although labor markets remain tight, some signs of stress are starting to emerge in the subprime borrower segment where elevated food and gas prices are increasing pressure on higher risk borrowers. Subprime issuers are now starting to reach the limits of how much of their increased funding costs they are able to pass onto consumers, and loan demand is already limited given the increase in rates. This demonstrates the importance of our bias to issues with seniority in the capital structure, robust transaction structures that divert cashflow in the event of underperformance, and strong underwriting and servicing policies, all of which should act to insulate investors in even a severe economic downturn.

In emerging markets, initial indications are that the Chinese economy is rebounding well after the end of its zero-COVID policy, but the structural challenges within the economy remain; these include the property sector, which continues to deflate, and leverage in the non-financial corporate sector. China may also face a greater focus on its

relationship with Russia, where there are likely to be calls for tougher restrictions it if it provides any explicit support. Elsewhere, inflation in emerging markets appears to have peaked and is beginning to recede, led by Latin America. With some exceptions, moderating inflation is increasing the potential that some central banks may be able to begin easing monetary policy as the growth differential between emerging and developed markets is expected to widen, while eyes will remain on the progress of the Russia-Ukraine conflict.

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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. 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. 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. **Mortgage-backed securities:** Gennie Maes and other securities backed by the full faith and credit of the United States government are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. Privately issued mortgage-related securities also are subject to credit risks associated with the underlying mortgage properties. These securities may be more volatile and less liquid than more traditional, government-backed debt securities.

The **Bloomberg U.S. Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and nonagency. The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The **Bloomberg 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. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded. 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. **Asset-Backed Security (ABS)** is a financial security such as a bond or note which is collateralized by a pool of assets such as loans, leases, credit card debt, royalties, or receivables **Beta** is a measure of a security's or portfolio's volatility, or systematic risk. The beta coefficient measures a security or portfolio's volatility relative to an index. A beta of 1 indicates that the security's price will move with the market. A beta less than 1 means that the security will be less volatile than the market. A beta greater than 1 indicates that the security's price will be more volatile than the market. An **enhanced equipment trust**

certificate (EETC) is one form of ETC that is issued and managed through special purpose vehicles known as pass-through trusts. These special purpose vehicles (SPEs) allow borrowers to aggregate multiple equipment purchases into one debt security. While the borrower leases the assets from the trust, the trust issues the debt, acts as a repository for it, while handling debt service and payments to investors who hold the certificate. The **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. The **ISM manufacturing index**, also known as the purchasing managers' index (PMI), is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at more than 300 manufacturing firms. It is considered to be a key indicator of the state of the U.S. economy.

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*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.*

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