BNY Mellon Global Real Return Fund

Market Review
The first quarter of 2020 proved to be a seismic one for financial markets. Having started the year with a degree of volatility, markets hit new highs in the middle of February before succumbing to worries about the repercussions of the coronavirus outbreak as the magnitude of the sudden hit to the economy became clear. The force of the pandemic, coupled with an oil-price shock, served as a brusque jolt to markets.

Performance Summary
While the year-to-date performance of the strategy is disappointing, this should be taken in the context of a global equity market down -20% in local-currency terms and volatility spiking to levels double those seen during the global financial crisis. As the market sell-off intensified, asset classes sold off in unison, meaning that diversification in the return-seeking core did not work in this compressed time period and downside capture was higher than expected.

The key detractor was equities. However, stock selection versus the broader market was positive, with the resilient attributes of the fund’s holdings of stable growth compounders, many of which had become caught up in index-based selling, increasingly coming to the fore. To a lesser extent, the fund’s synthetic exposures, largely through written put options on equity indices, designed to gain further upside exposure to

Quarterly Performance
BNY Mellon Global Real Return Fund produced a negative return for the first quarter of 2020. It is not measured to a benchmark index.

Average Annual Total Returns (3/31/20)

<table>
<thead>
<tr>
<th>Share Class/Inception Date</th>
<th>3 Month</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year/ Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A (NAV) 05/12/10</td>
<td>-9.29%</td>
<td>-9.29%</td>
<td>-3.22%</td>
<td>1.28%</td>
<td>1.15%</td>
<td>3.10%</td>
</tr>
<tr>
<td>Class A (5.75% max. load)</td>
<td>-14.50%</td>
<td>-14.50%</td>
<td>-8.77%</td>
<td>-0.69%</td>
<td>-0.04%</td>
<td>2.49%</td>
</tr>
<tr>
<td>Class I (NAV) 05/12/10</td>
<td>-9.28%</td>
<td>-9.28%</td>
<td>-3.05%</td>
<td>1.52%</td>
<td>1.41%</td>
<td>3.38%</td>
</tr>
<tr>
<td>FTSE One-Month U.S. Treasury Bill Index</td>
<td>0.38%</td>
<td>0.38%</td>
<td>1.97%</td>
<td>1.70%</td>
<td>1.08%</td>
<td>—</td>
</tr>
</tbody>
</table>

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 of less than 1 year are not annualized. Go to im.bnymellon.com for the fund’s most recent month-end returns. Total Expense Ratios: Class A 1.13%, Class I 0.90%. 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.
markets at more attractive levels, suffered from the sudden, sharp fall in markets. The fund’s holding of corporate bonds, emerging-market bonds and alternatives accounted for the balance of the negative contribution within the return-seeking core. As the selling became more indiscriminate, all areas of the market were swept along as market participants became nervous about the excesses that had built up in the system from the waves of quantitative easing.

In the stabilizing layer, government bonds provided some cushion as coronavirus worries drove yields lower over the quarter, although they were ultimately used as a source of liquidity in what rapidly became a liquidity squeeze. Similarly, the gold position was not immune to the market volatility and suffered from the need for mass liquidations. Given the huge level of fiscal stimulus we have seen from governments, in addition to unprecedented monetary stimulus, we continue to favor gold as a hedge against the likely resurgence of inflation expectations.

**Market Outlook**

The potent combination of the coronavirus outbreak coupled with an oil-price shock has represented a double ‘black swan’ event for markets which have reacted violently to the prospect of a retrenchment in global economic activity. The specter of a solvency crisis for the broader economy has jolted central banks and governments into action. While a technical recession appears inevitable at this juncture, the ultimate outcome is likely to be binary: the global economy will either experience a depression as credit chains blow up or – perhaps a more likely scenario – the unprecedented level of state intervention that we have seen will have the desired effect. However, nationalist agendas will not favor all companies and it will be important to be highly selective when making capital-allocation decisions. Fortunes are likely to be polarized, with strong businesses getting stronger and the weak getting punished and even wiped out.

The discipline of our global thematic approach and structural trends such as the four ‘Ds’ – the increasing indebtedness globally, demographic trends of an aging population, disruption from areas such as technology and dislocations created by increasingly financialized markets – are more relevant than ever, in our opinion.
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 advisor or visit im.bnymellon.com. Read the prospectus carefully before investing. Not all classes of shares may be available to all investors or through all broker-dealer platforms.

Past performance is no guarantee of future results.

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. 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. 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 sold short at a time when the security has appreciated in value, thus resulting in a loss. 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.

Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others. To the extent the fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase the fund’s exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.

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.

The FTSE One-Month U.S. Treasury Bill Index consists of the last one-month Treasury bill month-end rates. The FTSE One-Month U.S. Treasury Bill Index measures return equivalents of yield averages. The instruments are not marked to market. Provided for illustrative purposes only. It 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. Investors cannot invest directly in any index.

Financial market dislocations are circumstances in which financial markets, operating under stressful conditions, cease to price assets correctly on an absolute and relative basis.

Views expressed are those of the author(s) 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.


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