

# BNY Mellon Municipal Bond Fund

## **SEMI-ANNUAL REPORT**

February 29, 2024



**BNY MELLON**  
INVESTMENT MANAGEMENT

## **IMPORTANT NOTICE – UPCOMING CHANGES TO ANNUAL AND SEMI-ANNUAL REPORTS**

The Securities and Exchange Commission (the “SEC”) has adopted rule and form amendments that will result in changes to the design and delivery of annual and semi-annual fund reports (“Reports”). Beginning in July 2024, Reports will be streamlined to highlight key information. Certain information currently included in Reports, including financial statements, will no longer appear in the Reports but will be available online, delivered free of charge to shareholders upon request, and filed with the SEC.

If you previously elected to receive the fund’s Reports electronically, you will continue to do so. Otherwise, you will receive paper copies of the fund’s re-designed Reports by USPS mail in the future. If you would like to receive the fund’s Reports (and/or other communications) electronically instead of by mail, please contact your financial advisor or, if you are a direct investor, please log into your mutual fund account at [www.bnymellonim.com/us](http://www.bnymellonim.com/us) and select “E-Delivery” under the Profile page. You must be registered for online account access before you can enroll in E-Delivery.

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## DISCUSSION OF FUND PERFORMANCE (Unaudited)

*For the period from September 1, 2023, through February 29, 2024, as provided by Daniel Marques and Daniel Rabasco, portfolio managers of Insight North America LLC, the fund's sub-adviser*

### Market and Fund Performance Overview

For the six-month period ended February 29, 2024, BNY Mellon Municipal Bond Fund (the “fund”) achieved a total return of 4.42%.<sup>1</sup> In comparison, the fund’s benchmark, the Bloomberg U.S. Municipal Bond Index (the “Index”), produced a total return of 4.33%.<sup>2</sup>

Municipal bonds posted modest gains over the reporting period as concerns about inflation and interest-rate hikes by the Federal Reserve (the “Fed”) eased. The fund outperformed the Index, primarily due to favorable duration positioning.

### The Fund's Investment Approach

The fund seeks to maximize current income exempt from federal income tax to the extent consistent with the preservation of capital.

To pursue this goal, the fund normally invests substantially all of its net assets in municipal bonds that provide income exempt from federal income tax. The fund invests at least 75% of its assets in municipal bonds rated A or higher or the unrated equivalent as determined by BNY Mellon Investment Adviser, Inc. The fund may invest up to 25% of its assets in municipal bonds rated below A or the unrated equivalent as determined by BNY Mellon Investment Adviser, Inc., including bonds rated below investment grade (“high yield” or “junk” bonds). The dollar-weighted average maturity of the fund’s portfolio is not restricted, but normally exceeds 10 years.

We focus on identifying undervalued sectors and securities and minimize the use of interest-rate forecasting. The portfolio managers select municipal bonds for the fund’s portfolio by:

- Using fundamental credit analysis to estimate the relative value and attractiveness of various sectors and securities, and to exploit pricing inefficiencies in the municipal bond market.
- Actively trading among various sectors, such as pre-refunded, general obligation and revenue, based on their apparent relative values. The fund seeks to invest in several of these sectors.

### Market Benefits from Easing Inflation, Anticipated Rate Cuts and Favorable Technicals

The municipal bond market surged late in 2023 as inflation continued to ease, and investors looked increasingly to anticipated interest-rate reductions by the Fed. This resulted in strong inflows to municipal mutual funds beginning in 2024, resulting in favorable technical conditions as demand outpaced supply.

Prior to the reporting period, the Fed's reiteration of its "higher-for-longer" stance caused some turmoil, but a strong rebound began in mid-October 2023 as investors increasingly felt that inflation would continue to trend downward, and that the Fed was likely to begin cutting interest rates sometime in 2024. Strong fundamentals among municipal bond issuers added to the market's appeal, as did attractive yields.

The surprisingly strong economy, including a robust labor market, bolstered the case that the Fed would achieve a "soft landing" — taming inflation while avoiding a recession or high unemployment. The U.S. economy surprised investors in 2023, growing by a 4.9% annualized rate in the third quarter, followed by a 3.2% annualized rate in the fourth quarter. But it also pushed the likely timetable for rate cuts further out in 2024.

The Fed refrained from raising the federal funds rates during the period, having hiked seven times in 2022 and four more times in 2023. Although inflation continued to trend downward during the period, it remained above the Fed's 2% target. The core personal consumption expenditures index, which excludes food and energy prices, fell to a 3.8% annualized rate in the third quarter of 2023, followed by 3.2% in the fourth quarter.

But the relative stubbornness of inflation further raised the odds that rate cuts anticipated to occur in early-to-mid 2024 would be postponed. The Consumer Price Index rose in January and February from levels seen in the fourth quarter of 2023. The Producer Price Index, a measure of inflation at the wholesale level, also rose in January and February, after edging down in December 2023.

This caused the market to move sideways during the first months of 2024. However, this kept valuations at attractive levels, extending the opportunity for interested investors.

## **Duration Positioning Aided Performance**

The fund outperformed the Index during the reporting period, primarily due to duration positioning. The fund's duration was long versus the Index, and this drove performance as interest rates declined. Sector positioning was also beneficial. Underweight positions in local general obligation bonds and housing bonds contributed positively. Underweight allocations to continuing care and retirement center bonds, industrial development bonds and prepaid gas bonds were also advantageous. Security selections in the education, prepaid gas, continuing care and retirement centers and water & sewer contributed as well.

Certain allocations detracted from performance. Underweights to pre-refunded and state general obligation bonds were detrimental, as were overweights to airport and tobacco bonds. Security selections in the airport, appropriation, special tax and tobacco segments also lagged. The fund did not make use of derivatives during the period.

## **Emphasizing Longer Duration**

We plan to keep the fund's duration long relative to the Index as we believe this will benefit performance when the Fed cuts the federal funds rate later this year, as is widely

## DISCUSSION OF FUND PERFORMANCE (Unaudited) (continued)

expected. Near-term, we expect the normal weakness that occurs due to a seasonal increase in new issue supply and as investors liquidate some holdings to pay taxes. We anticipate that we will be able to capitalize on this market weakness to add bonds issued by fundamentally sound issuers which provide incremental yield and the potential for price appreciation or spread tightening. The normal surge in demand that occurs later as investors reinvest proceeds is likely to bolster the market later in the year.

March 15, 2024

<sup>1</sup> *Total return includes reinvestment of dividends and any capital gains paid. Past performance is no guarantee of future results. Share price, yield and investment return fluctuate such that upon redemption, fund shares may be worth more or less than their original cost. Income may be subject to state and local taxes, and some income may be subject to the federal alternative minimum tax (AMT) for certain investors. Capital gains, if any, are fully taxable.*

<sup>2</sup> *Source: Lipper Inc. — The Bloomberg U.S. Municipal Bond Index covers the USD-denominated, long-term, tax-exempt bond market. Investors cannot invest directly in any index.*

*Bonds are subject generally to interest-rate, credit, liquidity and market risks, to varying degrees, all of which are more fully described in the fund's prospectus. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes, and rate increases can cause price declines. High yield bond funds involve increased credit and liquidity risk compared with higher-quality bond funds. Below-investment-grade bonds are considered speculative as to the continuing ability of an issuer to make interest payments and repay principal.*

*Auction-rate securities include preferred shares of closed-end funds, long-term debt issued by municipalities and many other taxable and tax-exempt issuers. The dividend rates on these securities generally reset through bank-managed auctions periodically, including periods ranging from 7 days to 35 days.*

# UNDERSTANDING YOUR FUND’S EXPENSES (Unaudited)

*As a mutual fund investor, you pay ongoing expenses, such as management fees and other expenses. Using the information below, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You also may pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund’s prospectus or talk to your financial adviser.*

## Review your fund’s expenses

The table below shows the expenses you would have paid on a \$1,000 investment in BNY Mellon Municipal Bond Fund from September 1, 2023 to February 29, 2024. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming actual returns and expenses.

Expenses and Value of a \$1,000 Investment	
Assume actual returns for the six months ended February 29, 2024	
Expenses paid per \$1,000†	\$3.81
Ending value (after expenses)	\$1,044.20

# COMPARING YOUR FUND’S EXPENSES WITH THOSE OF OTHER FUNDS (Unaudited)

## Using the SEC’s method to compare expenses

The Securities and Exchange Commission (“SEC”) has established guidelines to help investors assess fund expenses. Per these guidelines, the table below shows your fund’s expenses based on a \$1,000 investment, assuming a hypothetical 5% annualized return. You can use this information to compare the ongoing expenses (but not transaction expenses or total cost) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses and Value of a \$1,000 Investment	
Assuming a hypothetical 5% annualized return for the six months ended February 29, 2024	
Expenses paid per \$1,000†	\$3.77
Ending value (after expenses)	\$1,021.13

† Expenses are equal to the fund’s annualized expense ratio of .75%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

STATEMENT OF INVESTMENTS

February 29, 2024 (Unaudited)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Bonds and Notes - .3%</b>				
<b>Collateralized Municipal-Backed Securities - .3%</b>				
Arizona Industrial Development Authority, Revenue Bonds, Ser. 2019-2 (cost \$3,540,051)	3.63	5/20/2033	3,225,294	<b>3,037,048</b>
<b>Long-Term Municipal Investments - 98.6%</b>				
<b>Alabama - 3.9%</b>				
Alabama Public School & College Authority, Revenue Bonds, Refunding (Sustainable Bond) Ser. A	4.00	11/1/2036	6,000,000	6,313,807
Birmingham-Jefferson Civic Center Authority, Special Tax Bonds, Ser. B	5.00	7/1/2043	7,500,000	7,614,175
Jefferson County, Revenue Bonds, Refunding	5.00	9/15/2035	2,500,000	2,640,224
Jefferson County, Revenue Bonds, Refunding	5.25	10/1/2049	3,000,000	3,229,295
Jefferson County, Revenue Bonds, Refunding	5.50	10/1/2053	8,100,000	8,859,300
The Lower Alabama Gas District, Revenue Bonds, Ser. A	5.00	9/1/2028	3,300,000	3,440,073
University of Alabama at Birmingham, Revenue Bonds (Board of Trustees) Ser. B	4.00	10/1/2035	3,005,000	3,127,552
				<b>35,224,426</b>
<b>Arizona - 2.2%</b>				
Arizona Industrial Development Authority, Revenue Bonds (Sustainable Bond) (Equitable School Revolving Fund Obligated Group) Ser. A	4.00	11/1/2037	4,885,000	4,954,985
Arizona Industrial Development Authority, Revenue Bonds (Sustainable Bond) (Equitable School Revolving Fund Obligated Group) Ser. A	5.00	11/1/2044	1,975,000	2,064,332
Glendale Industrial Development Authority, Revenue Bonds, Refunding (Sun Health Services Obligated Group) Ser. A	5.00	11/15/2054	2,415,000	2,357,472
Glendale Industrial Development Authority, Revenue Bonds, Refunding (Sun Health Services Obligated Group) Ser. A	5.00	11/15/2048	3,085,000	3,065,446



Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Arizona - 2.2% (continued)</b>				
La Paz County Industrial Development Authority, Revenue Bonds (Harmony Public Schools) Ser. A	5.00	2/15/2046	1,500,000 <sup>a</sup>	1,488,153
Maricopa County Industrial Development Authority, Revenue Bonds (Banner Health Obligated Group) Ser. A	5.00	1/1/2041	2,500,000	2,600,761
Maricopa County Special Health Care District, GO, Ser. D	4.00	7/1/2035	1,375,000	1,449,620
Phoenix Civic Improvement Corp., Revenue Bonds (Junior Lien Airport) Ser. B	4.00	7/1/2044	2,000,000	1,951,792
				<b>19,932,561</b>
<b>Arkansas - .5%</b>				
Arkansas Development Finance Authority, Revenue Bonds (Sustainable Bond) (U.S. Steel Corp.)	5.70	5/1/2053	2,450,000	2,540,022
Pulaski County, Revenue Bonds (Arkansas Children's Hospital)	4.25	3/1/2048	2,000,000	1,983,708
				<b>4,523,730</b>
<b>California - 4.7%</b>				
California, GO, Refunding	5.00	4/1/2042	1,100,000	1,247,297
California, GO, Refunding	5.25	9/1/2047	1,500,000	1,713,893
California Community Choice Financing Authority, Revenue Bonds (Sustainable Bond) (Clean Energy Project) Ser. G	5.25	4/1/2030	4,000,000 <sup>b</sup>	4,270,729
California County Tobacco Securitization Agency, Revenue Bonds, Refunding	5.00	6/1/2034	5,295,000	5,297,045
California Health Facilities Financing Authority, Revenue Bonds, Refunding (Sutter Health Obligated Group) Ser. B	5.00	11/15/2046	3,000,000	3,070,002
California Housing Finance Agency, Revenue Bonds, Ser. 2021-1	3.50	11/20/2035	2,868,667	2,710,750
California Statewide Communities Development Authority, Revenue Bonds (Loma Linda University Medical Center Obligated Group)	5.25	12/1/2048	1,800,000 <sup>a</sup>	1,830,294
Jefferson Union High School District, COP (Teacher & Staff Housing Project) (Insured; Build America Mutual)	4.00	8/1/2050	3,255,000	3,255,594
San Diego County Regional Airport Authority, Revenue Bonds, Ser. B	4.00	7/1/2046	2,780,000	2,688,168

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>California - 4.7% (continued)</b>				
San Francisco City & County Airport Commission, Revenue Bonds, Refunding, Ser. B	5.00	5/1/2041	12,500,000	12,712,340
San Francisco City & County Public Utilities Commission Power, Revenue Bonds, Refunding, Ser. B	4.00	11/1/2051	1,530,000	1,524,017
San Jose Evergreen Community College District, GO, Ser. C	4.00	9/1/2042	2,000,000	2,064,879
				<b>42,385,008</b>
<b>Colorado - 3.4%</b>				
Colorado Health Facilities Authority, Revenue Bonds (Covenant Retirement Communities & Services Obligated Group)	5.00	12/1/2048	6,000,000	6,008,406
Colorado Health Facilities Authority, Revenue Bonds, Refunding (CommonSpirit Health Obligated Group) Ser. A	5.00	8/1/2044	3,500,000	3,652,492
Colorado Health Facilities Authority, Revenue Bonds, Refunding (Intermountain Healthcare Obligated Group) Ser. A	4.00	5/15/2052	4,245,000	4,135,826
Colorado Health Facilities Authority, Revenue Bonds, Refunding (School Health System) Ser. A	4.00	1/1/2036	5,000,000	5,158,005
Denver City & County Airport System, Revenue Bonds, Refunding, Ser. A	5.00	12/1/2048	5,000,000	5,143,040
Denver City & County School District No. 1, GO (Insured; State Aid Withholding) Ser. A	5.50	12/1/2041	1,550,000	1,653,702
Denver Convention Center Hotel Authority, Revenue Bonds, Refunding	5.00	12/1/2036	1,315,000	1,333,587
Denver Convention Center Hotel Authority, Revenue Bonds, Refunding	5.00	12/1/2027	3,860,000	3,975,715
				<b>31,060,773</b>
<b>Connecticut - .4%</b>				
Connecticut Health & Educational Facilities Authority, Revenue Bonds, Refunding (Fairfield University) Ser. T	4.00	7/1/2055	1,845,000	1,742,606
Connecticut Housing Finance Authority, Revenue Bonds, Refunding, Ser. C1	3.25	5/15/2044	1,645,000	1,606,960
				<b>3,349,566</b>

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>District of Columbia - 2.2%</b>				
District of Columbia, Revenue Bonds, Refunding	5.00	7/15/2032	1,000,000	1,029,697
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding	5.00	10/1/2035	2,000,000	2,089,564
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding (Dulles Metrorail) Ser. A	5.00	10/1/2031	1,250,000	1,361,448
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding (Dulles Metrorail) Ser. B	4.00	10/1/2049	1,000,000	940,582
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding, Ser. A	5.00	10/1/2038	4,000,000	4,194,877
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding, Ser. A	5.00	10/1/2035	2,000,000	2,065,651
Metropolitan Washington Airports Authority, Revenue Bonds, Refunding, Ser. A	4.00	10/1/2038	2,855,000	2,849,218
Washington Metropolitan Area Transit Authority, Revenue Bonds (Sustainable Bond)	5.25	7/15/2053	3,000,000	3,321,194
Washington Metropolitan Area Transit Authority, Revenue Bonds (Sustainable Bond) Ser. A	4.13	7/15/2047	2,000,000	2,000,241
				<b>19,852,472</b>
<b>Florida - 5.3%</b>				
Broward County Airport System, Revenue Bonds	5.00	10/1/2047	5,000,000	5,111,362
Central Florida Expressway Authority, Revenue Bonds, Refunding	5.00	7/1/2038	2,500,000	2,632,878
Escambia County, Revenue Bonds	5.00	10/1/2046	5,000,000	5,226,745
Gainesville Utilities System, Revenue Bonds, Ser. A	5.00	10/1/2037	2,000,000	2,124,636
Jacksonville, Revenue Bonds, Refunding (Brooks Rehabilitation Project)	4.00	11/1/2045	3,000,000	2,729,741
Orange County Health Facilities Authority, Revenue Bonds (Orlando Health Obligated Group) Ser. A	5.00	10/1/2053	2,715,000	2,890,759
Orlando Utilities Commission, Revenue Bonds (Series 2018 Project) Ser. A	5.00	10/1/2038	3,000,000	3,172,833

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Florida - 5.3% (continued)</b>				
Palm Beach County Health Facilities Authority, Revenue Bonds (ACTS Retirement-Life Communities Obligated Group)	5.00	11/15/2045	11,500,000	11,794,107
Palm Beach County Health Facilities Authority, Revenue Bonds, Refunding (Baptist Health South Florida Obligated Group)	4.00	8/15/2049	4,760,000	4,452,022
Palm Beach County Health Facilities Authority, Revenue Bonds, Refunding (Baptist Health South Florida Obligated Group)	5.00	8/15/2039	1,000,000	1,051,140
Palm Beach County Health Facilities Authority, Revenue Bonds, Refunding (Baptist Health South Florida Obligated Group)	5.00	8/15/2038	1,200,000	1,266,732
Sunshine Skyway Bridge, Revenue Bonds, Ser. A	4.00	7/1/2035	5,875,000	6,062,453
				<b>48,515,408</b>
<b>Georgia - 2.2%</b>				
Georgia Municipal Electric Authority, Revenue Bonds (Plant Vogtle Units 3&4 Project)	5.00	1/1/2039	1,000,000	1,041,608
Georgia Municipal Electric Authority, Revenue Bonds (Plant Vogtle Units 3&4 Project) (Insured; Assured Guaranty Municipal Corp.) Ser. A	5.00	7/1/2055	1,500,000	1,559,037
Georgia Municipal Electric Authority, Revenue Bonds (Plant Vogtle Units 3&4 Project) Ser. A	5.00	7/1/2052	2,865,000	2,967,366
Georgia Municipal Electric Authority, Revenue Bonds, Refunding (Project No. 1) Ser. A	5.00	1/1/2028	5,000,000	5,192,104
Main Street Natural Gas, Revenue Bonds, Ser. C	4.00	9/1/2026	9,000,000 <sup>b</sup>	9,049,441
				<b>19,809,556</b>
<b>Hawaii - .7%</b>				
Hawaii Airports System, Revenue Bonds, Ser. A	5.00	7/1/2043	5,000,000	5,159,181
Honolulu County, GO, Ser. C	4.00	7/1/2041	1,000,000	1,015,160
				<b>6,174,341</b>
<b>Idaho - .8%</b>				
Power County Industrial Development Corp., Revenue Bonds (FMC Corp. Project)	6.45	8/1/2032	7,625,000	7,650,686

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Illinois - 8.4%</b>				
Chicago Board of Education, GO, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. A	5.00	12/1/2035	1,000,000	1,055,741
Chicago Board of Education, GO, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. A	5.00	12/1/2034	1,000,000	1,059,041
Chicago Board of Education, GO, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. C	5.00	12/1/2030	1,500,000	1,595,761
Chicago Board of Education, GO, Ser. A	6.00	12/1/2049	2,000,000	2,219,243
Chicago Board of Education, Revenue Bonds	5.00	4/1/2042	2,500,000	2,560,939
Chicago II Waterworks, Revenue Bonds	5.00	11/1/2028	6,200,000	6,470,492
Chicago Midway International Airport, Revenue Bonds, Refunding, Ser. C	5.00	1/1/2036	1,500,000	1,685,208
Chicago O'Hare International Airport, Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. D	5.00	1/1/2039	6,530,000	7,312,348
Chicago O'Hare International Airport, Revenue Bonds, Refunding, Ser. A	5.00	1/1/2029	3,685,000	3,714,048
Chicago Park District, GO, Refunding, Ser. A	5.25	1/1/2046	2,500,000	2,710,808
Chicago Transit Authority, Revenue Bonds, Refunding, Ser. A	5.00	12/1/2055	2,500,000	2,587,414
Cook County II, Revenue Bonds, Refunding	5.00	11/15/2036	7,000,000	7,371,076
Cook County II, Revenue Bonds, Refunding, Ser. A	5.00	11/15/2031	1,250,000	1,407,813
Illinois, Revenue Bonds (Insured; Build America Mutual) Ser. A	5.00	6/15/2032	4,325,000	4,630,335
Illinois Finance Authority, Revenue Bonds (University of Illinois At Urbana-Champaign Project)	5.00	10/1/2044	1,100,000	1,137,707
Illinois Finance Authority, Revenue Bonds, Refunding (OSF Healthcare System Obligated Group) Ser. A	5.00	11/15/2045	2,500,000	2,529,549
Illinois Finance Authority, Revenue Bonds, Refunding (The University of Chicago) Ser. A	4.00	4/1/2050	7,970,000	7,683,571
Illinois Toll Highway Authority, Revenue Bonds, Refunding, Ser. A	5.00	1/1/2036	1,000,000	1,200,696
Illinois Toll Highway Authority, Revenue Bonds, Ser. A	5.00	1/1/2041	4,500,000	4,968,664

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Illinois - 8.4% (continued)</b>				
Northern Illinois University, Revenue Bonds, Refunding (Insured; Build America Mutual) Ser. B	4.00	4/1/2036	650,000	660,143
Sales Tax Securitization Corp., Revenue Bonds, Refunding (Insured; Build America Mutual) Ser. A	4.00	1/1/2040	6,175,000	6,219,830
Sales Tax Securitization Corp., Revenue Bonds, Refunding, Ser. A	4.00	1/1/2039	1,515,000	1,523,328
Sales Tax Securitization Corp., Revenue Bonds, Refunding, Ser. A	5.00	1/1/2034	3,300,000	3,852,206
				<b>76,155,961</b>
<b>Indiana - .4%</b>				
Indiana Finance Authority, Revenue Bonds, Refunding (CWA Authority Project) Ser. 1	4.00	10/1/2035	1,000,000	1,059,970
Indiana Municipal Power Agency, Revenue Bonds, Refunding, Ser. A	5.00	1/1/2037	2,500,000	2,584,364
				<b>3,644,334</b>
<b>Iowa - .8%</b>				
Iowa Finance Authority, Revenue Bonds, Refunding (Iowa Fertilizer Co. Project)	5.00	12/1/2050	2,500,000	2,633,686
Iowa Finance Authority, Revenue Bonds, Refunding (Sustainable Bond) (Insured; GNMA, FNMA, FHLMC) Ser. A	3.00	1/1/2047	2,720,000	2,635,944
Iowa Tobacco Settlement Authority, Revenue Bonds, Refunding, Ser. B1	4.00	6/1/2049	815,000	823,147
PEFA, Revenue Bonds (Gas Project)	5.00	9/1/2026	1,000,000 <sup>b</sup>	1,021,377
				<b>7,114,154</b>
<b>Kentucky - 1.8%</b>				
Kentucky Public Energy Authority, Revenue Bonds, Refunding, Ser. A1	5.25	2/1/2032	10,150,000 <sup>b</sup>	10,947,544
Kentucky Public Energy Authority, Revenue Bonds, Ser. A	4.00	6/1/2026	4,500,000 <sup>b</sup>	4,497,214
Kentucky Public Energy Authority, Revenue Bonds, Ser. A1	4.00	8/1/2030	1,235,000 <sup>b</sup>	1,240,504
				<b>16,685,262</b>
<b>Louisiana - 2.4%</b>				
Lafayette Utilities, Revenue Bonds (Insured; Assured Guaranty Municipal Corp.)	5.00	11/1/2044	1,500,000	1,580,929

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Louisiana - 2.4% (continued)</b>				
Louisiana Public Facilities Authority, Revenue Bonds (Franciscan Missionaries of Our Lady Health System Obligated Group) Ser. A	5.00	7/1/2047	4,250,000	4,324,993
New Orleans Aviation Board, Revenue Bonds, Refunding (Consolidated Rental Car Project) (Insured; Assured Guaranty Municipal Corp.)	5.00	1/1/2037	1,750,000	1,873,248
New Orleans Aviation Board, Revenue Bonds, Ser. B	5.00	1/1/2045	5,000,000	5,006,634
New Orleans Aviation Board, Revenue Bonds, Ser. B	5.00	1/1/2040	7,825,000	7,852,774
St. John the Baptist Parish, Revenue Bonds, Refunding (Marathon Oil Corp.)	2.20	7/1/2026	1,000,000 <sup>b</sup>	952,065
				<b>21,590,643</b>
<b>Maryland - .9%</b>				
Maryland Economic Development Corp., Revenue Bonds (Sustainable Bond) (Purple Line Transit Partners) Ser. B	5.25	6/30/2055	4,100,000	4,173,009
Maryland Health & Higher Educational Facilities Authority, Revenue Bonds, Refunding (MedStar Health Obligated Group)	5.00	8/15/2038	4,000,000	4,042,949
				<b>8,215,958</b>
<b>Massachusetts - .5%</b>				
Massachusetts Development Finance Agency, Revenue Bonds, Refunding (Boston Medical Center Corp. Obligated Group)	4.38	7/1/2052	1,250,000	1,242,863
Massachusetts Development Finance Agency, Revenue Bonds, Refunding (Trustees of Boston University)	4.00	10/1/2046	2,140,000	2,154,365
Massachusetts Educational Financing Authority, Revenue Bonds, Ser. B	5.00	7/1/2029	1,450,000	1,540,584
				<b>4,937,812</b>
<b>Michigan - 5.2%</b>				
Great Lakes Water Authority, Revenue Bonds, Ser. B	5.00	7/1/2046	10,000,000	10,222,381
Great Lakes Water Authority Sewage Disposal System, Revenue Bonds, Ser. C	5.25	7/1/2053	1,250,000	1,393,580
Karegnondi Water Authority, Revenue Bonds, Refunding	5.00	11/1/2045	4,690,000	4,835,823

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Michigan - 5.2% (continued)</b>				
Lansing Board of Water & Light, Revenue Bonds, Ser. B	2.00	7/1/2026	2,500,000 <sup>b</sup>	2,374,557
Michigan Finance Authority, Revenue Bonds, Refunding (Beaumont-Spectrum)	5.00	4/15/2038	7,135,000	7,991,094
Michigan Finance Authority, Revenue Bonds, Refunding (Trinity Health Credit Group) Ser. A	5.00	12/1/2042	1,000,000	1,038,329
Michigan Housing Development Authority, Revenue Bonds, Ser. A	3.50	12/1/2050	980,000	964,122
Michigan Strategic Fund, Revenue Bonds (AMT-I-75 Improvement Project)	5.00	12/31/2043	6,800,000	6,940,808
Michigan Trunk Line, Revenue Bonds	4.00	11/15/2046	7,280,000	7,281,896
Wayne County Airport Authority, Revenue Bonds, Ser. D	5.00	12/1/2045	4,000,000	4,060,642
				<b>47,103,232</b>
<b>Minnesota - .2%</b>				
Minnesota Agricultural & Economic Development Board, Revenue Bonds (HealthPartners Obligated Group)	5.25	1/1/2054	2,000,000	<b>2,201,062</b>
<b>Missouri - .5%</b>				
St. Louis County Industrial Development Authority, Revenue Bonds, Refunding (Friendship Village St. Louis Obligated Group)	5.00	9/1/2048	2,250,000	2,057,270
The Missouri Health & Educational Facilities Authority, Revenue Bonds, Refunding (CoxHealth Obligated Group) Ser. A	5.00	11/15/2030	2,725,000	2,767,508
				<b>4,824,778</b>
<b>Nebraska - .8%</b>				
Omaha Public Power District, Revenue Bonds, Ser. A	5.25	2/1/2052	4,000,000	4,378,970
Public Power Generation Agency, Revenue Bonds, Refunding	5.00	1/1/2041	3,050,000	3,125,466
				<b>7,504,436</b>
<b>Nevada - 2.5%</b>				
Clark County, GO, Ser. A	5.00	6/1/2043	2,500,000	2,637,787
Clark County Department of Aviation, Revenue Bonds, Refunding, Ser. A	5.00	7/1/2040	14,000,000	14,212,758
Clark County School District, GO, Ser. A	5.00	6/15/2039	2,500,000	2,811,210



Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Nevada - 2.5% (continued)</b>				
Reno, Revenue Bonds, Refunding (Reno Transportation Rail Access Project)	5.00	6/1/2048	1,000,000	1,032,564
Reno, Revenue Bonds, Refunding (Reno Transportation Rail Access Project) Ser. C	0.00	7/1/2058	17,000,000 <sup>a,c</sup>	2,263,518
				<b>22,957,837</b>
<b>New Hampshire - .2%</b>				
New Hampshire Business Finance Authority, Revenue Bonds (University of Nevada Reno Project) (Insured; Build America Mutual) Ser. A	4.50	6/1/2053	1,550,000	<b>1,552,223</b>
<b>New Jersey - 3.3%</b>				
New Jersey Economic Development Authority, Revenue Bonds (Continental Airlines Project)	5.25	9/15/2029	4,380,000	4,390,087
New Jersey Health Care Facilities Financing Authority, Revenue Bonds (RW) Barnabas Health Obligated Group)	4.00	7/1/2051	2,500,000	2,452,420
New Jersey Higher Education Student Assistance Authority, Revenue Bonds, Refunding, Ser. A	5.00	12/1/2032	1,200,000	1,314,343
New Jersey Transportation Trust Fund Authority, Revenue Bonds, Refunding, Ser. AA	4.25	6/15/2044	1,000,000	1,013,661
New Jersey Transportation Trust Fund Authority, Revenue Bonds, Ser. BB	5.00	6/15/2044	1,000,000	1,044,342
New Jersey Transportation Trust Fund Authority, Revenue Bonds, Ser. BB	5.25	6/15/2050	2,000,000	2,192,647
Tobacco Settlement Financing Corp., Revenue Bonds, Refunding, Ser. A	5.00	6/1/2046	10,490,000	10,736,128
Tobacco Settlement Financing Corp., Revenue Bonds, Refunding, Ser. A	5.00	6/1/2037	5,000,000	5,293,577
Tobacco Settlement Financing Corp., Revenue Bonds, Refunding, Ser. A	5.25	6/1/2046	1,860,000	1,928,713
				<b>30,365,918</b>
<b>New York - 8.9%</b>				
Metropolitan Transportation Authority, Revenue Bonds, Refunding (Sustainable Bond) Ser. C1	5.00	11/15/2031	4,170,000	4,480,981
Metropolitan Transportation Authority, Revenue Bonds, Refunding, Ser. D	5.00	11/15/2030	1,000,000	1,046,303

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>New York - 8.9% (continued)</b>				
New York City, GO, Refunding, Ser. F1	5.00	8/1/2038	1,000,000	1,153,602
New York City, GO, Ser. C	4.00	8/1/2040	3,000,000	3,063,085
New York City, GO, Ser. D1	4.00	3/1/2050	3,710,000	3,629,615
New York City, GO, Ser. D1	4.00	3/1/2041	4,000,000	4,054,035
New York City, GO, Ser. F1	4.00	3/1/2047	1,400,000	1,379,297
New York City Industrial Development Agency, Revenue Bonds, Refunding (Queens Baseball Stadium Project) (Insured; Assured Guaranty Municipal Corp.) Ser. A	5.00	1/1/2027	750,000	788,895
New York City Transitional Finance Authority, Revenue Bonds	4.00	5/1/2036	6,780,000	7,141,789
New York Liberty Development Corp., Revenue Bonds, Refunding (Class 1-3 World Trade Center Project)	5.00	11/15/2044	7,500,000 <sup>a</sup>	7,501,991
New York Liberty Development Corp., Revenue Bonds, Refunding (Goldman Sachs Headquarters)	5.25	10/1/2035	1,000,000	1,188,275
New York State Dormitory Authority, Revenue Bonds (New York University) (Insured; National Public Finance Guarantee Corp.) Ser. A	5.75	7/1/2027	2,785,000	2,929,573
New York State Thruway Authority, Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. B	4.00	1/1/2045	3,000,000	2,997,402
New York State Urban Development Corp., Revenue Bonds, Refunding (State of New York Personal Income Tax)	4.00	3/15/2042	2,250,000	2,271,233
New York Transportation Development Corp., Revenue Bonds (Delta Air Lines)	4.00	1/1/2036	1,500,000	1,485,546
New York Transportation Development Corp., Revenue Bonds (Delta Air Lines)	4.38	10/1/2045	3,000,000	2,960,178
New York Transportation Development Corp., Revenue Bonds (Delta Air Lines)	5.00	1/1/2032	1,500,000	1,551,085
New York Transportation Development Corp., Revenue Bonds (JFK International Airport Terminal)	5.00	12/1/2040	3,000,000	3,162,933

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>New York - 8.9% (continued)</b>				
New York Transportation Development Corp., Revenue Bonds (LaGuardia Airport Terminal B Redevelopment Project) Ser. A	5.00	7/1/2046	6,500,000	6,465,123
New York Transportation Development Corp., Revenue Bonds (Sustainable Bond) (JFK International Airport Terminal) (Insured; Assured Guaranty Municipal Corp.)	5.00	6/30/2049	1,500,000	1,575,005
Triborough Bridge & Tunnel Authority, Revenue Bonds (MTA Bridges & Tunnels) Ser. A	5.00	11/15/2049	1,000,000	1,072,225
Triborough Bridge & Tunnel Authority, Revenue Bonds, Refunding (MTA Bridges & Tunnels) Ser. C2	5.00	11/15/2042	3,500,000	3,685,191
Triborough Bridge & Tunnel Authority, Revenue Bonds, Refunding, Ser. C	5.25	5/15/2052	2,500,000	2,751,251
Triborough Bridge & Tunnel Authority, Revenue Bonds, Ser. A1	5.25	5/15/2059	5,000,000	5,512,301
Triborough Bridge & Tunnel Authority, Revenue Bonds, Ser. C3	3.00	5/15/2051	10,000,000	7,621,590
				<b>81,468,504</b>
<b>North Carolina - .5%</b>				
North Carolina Medical Care Commission, Revenue Bonds (Twin Lakes Community) Ser. A	5.00	1/1/2049	3,000,000	2,868,335
North Carolina Turnpike Authority, Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corp.)	5.00	1/1/2039	2,000,000	2,077,595
				<b>4,945,930</b>
<b>Ohio - 1.1%</b>				
Buckeye Tobacco Settlement Financing Authority, Revenue Bonds, Refunding, Ser. A2	4.00	6/1/2048	8,000,000	7,446,439
Cuyahoga County, Revenue Bonds, Refunding (The MetroHealth System)	5.25	2/15/2047	2,500,000	2,516,181
				<b>9,962,620</b>
<b>Oklahoma - .4%</b>				
Oklahoma Water Resources Board, Revenue Bonds, Ser. B	4.00	10/1/2048	3,515,000	<b>3,479,850</b>

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Oregon - 1.4%</b>				
Medford Hospital Facilities Authority, Revenue Bonds, Refunding (Asante Project) Ser. A	5.00	8/15/2045	1,500,000	1,578,751
Port of Portland, Revenue Bonds, Refunding (Sustainable Bond) Ser. 29	5.50	7/1/2053	5,500,000	6,053,282
Portland Sewer System, Revenue Bonds, Ser. A	3.00	3/1/2036	5,040,000	4,870,648
				<b>12,502,681</b>
<b>Pennsylvania - 6.9%</b>				
Allegheny County Hospital Development Authority, Revenue Bonds, Refunding (UPMC Obligated Group) Ser. A	4.00	7/15/2035	2,000,000	2,065,771
Commonwealth Financing Authority, Revenue Bonds	5.00	6/1/2035	3,500,000	3,746,030
Lancaster County Hospital Authority, Revenue Bonds, Refunding (The University of Pennsylvania Health System Obligated Group)	5.00	8/15/2042	5,240,000	5,376,742
Luzerne County Industrial Development Authority, Revenue Bonds, Refunding (Pennsylvania- American Water Co.)	2.45	12/3/2029	2,500,000 <sup>b</sup>	2,277,240
Pennsylvania Economic Development Financing Authority, Revenue Bonds (The Penndot Major Bridges) (Insured; Assured Guaranty Municipal Corp.)	5.00	12/31/2057	3,500,000	3,693,928
Pennsylvania Turnpike Commission, Revenue Bonds, Refunding, Ser. B	4.00	12/1/2042	4,500,000	4,551,966
Pennsylvania Turnpike Commission Oil Franchise, Revenue Bonds, Refunding, Ser. A	5.00	12/1/2046	6,250,000	6,819,774
Pennsylvania Turnpike Commission Oil Franchise, Revenue Bonds, Ser. B	5.25	12/1/2048	16,855,000	17,710,983
Philadelphia Gas Works Co., Revenue Bonds (Insured; Assured Guaranty Municipal Corp.) Ser. A	4.00	8/1/2045	1,500,000	1,510,961
Philadelphia Water & Wastewater, Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. B	4.50	9/1/2048	4,000,000	4,105,194
The Philadelphia School District, GO (Insured; State Aid Withholding) Ser. A	5.00	9/1/2044	5,500,000	5,811,450

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Pennsylvania - 6.9% (continued)</b>				
The Philadelphia School District, GO (Insured; State Aid Withholding) Ser. B	5.00	9/1/2043	5,280,000	5,504,685
The Philadelphia School District, GO, Refunding (Insured; State Aid Withholding) Ser. F	5.00	9/1/2026	10,000 <sup>d</sup>	10,531
				<b>63,185,255</b>
<b>Rhode Island - .2%</b>				
Rhode Island Health & Educational Building Corp., Revenue Bonds (Lifespan Obligated Group)	5.25	5/15/2054	1,500,000	<b>1,613,352</b>
<b>South Carolina - 3.5%</b>				
Piedmont Municipal Power Agency, Revenue Bonds, Refunding, Ser. B	4.00	1/1/2034	3,180,000	3,304,306
South Carolina Ports Authority, Revenue Bonds	5.00	7/1/2038	1,600,000	1,672,089
South Carolina Ports Authority, Revenue Bonds	5.00	7/1/2037	2,965,000	3,111,060
South Carolina Public Service Authority, Revenue Bonds, Refunding (Santee Cooper)	5.13	12/1/2043	16,000,000	15,999,250
South Carolina Public Service Authority, Revenue Bonds, Refunding (Santee Cooper) Ser. A	4.00	12/1/2055	5,500,000	4,971,148
South Carolina Public Service Authority, Revenue Bonds, Refunding, Ser. A	4.00	12/1/2042	3,000,000	2,933,390
				<b>31,991,243</b>
<b>South Dakota - .9%</b>				
South Dakota Health & Educational Facilities Authority, Revenue Bonds (Avera Health Obligated Group)	5.00	7/1/2044	5,000,000	5,003,872
South Dakota Health & Educational Facilities Authority, Revenue Bonds, Refunding (Sanford Obligated Group)	5.00	11/1/2035	3,000,000	3,082,875
				<b>8,086,747</b>
<b>Tennessee - .9%</b>				
Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board, Revenue Bonds (Belmont University)	5.25	5/1/2053	3,500,000	3,782,789

**STATEMENT OF INVESTMENTS (Unaudited) (continued)**

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Tennessee - .9% (continued)</b>				
Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board, Revenue Bonds, Refunding (Lipscomb University Project)	5.00	10/1/2037	1,000,000	1,048,855
Tennergy Corp., Revenue Bonds, Ser. A	4.00	9/1/2028	1,000,000 <sup>b</sup>	1,003,282
Tennessee Housing Development Agency, Revenue Bonds, Refunding, Ser. 3A	3.50	7/1/2050	660,000	649,323
The Metropolitan Nashville Airport Authority, Revenue Bonds, Ser. B	5.50	7/1/2052	1,500,000	1,635,692
				<b>8,119,941</b>
<b>Texas - 8.9%</b>				
Central Texas Regional Mobility Authority, Revenue Bonds, Ser. E	5.00	1/1/2045	3,000,000	3,155,057
Clifton Higher Education Finance Corp., Revenue Bonds (IDEA Public Schools) (Insured; Permanent School Fund Guaranteed) Ser. T	4.00	8/15/2050	2,500,000	2,375,649
Corpus Christi Utility System, Revenue Bonds	5.00	7/15/2040	4,000,000	4,068,673
Corpus Christi Utility System, Revenue Bonds, Refunding, Ser. A	4.00	7/15/2036	1,500,000	1,537,806
Garland Electric Utility System, Revenue Bonds, Refunding	5.00	3/1/2044	3,000,000	3,173,888
Garland Independent School District, GO (Insured; Permanent School Fund Guarantee Program) Ser. A	5.00	2/15/2042	2,815,000	3,168,798
Houston Airport System, Revenue Bonds, Refunding (Insured; Assured Guaranty Municipal Corp.) Ser. B	4.25	7/1/2053	4,000,000	4,028,901
Lamar Consolidated Independent School District, GO	4.00	2/15/2053	2,000,000	1,919,031
Love Field Airport Modernization Corp., Revenue Bonds (Southwest Airlines Co. Project)	5.00	11/1/2028	2,945,000	2,945,216
Lower Colorado River Authority, Revenue Bonds, Refunding (LCRA Transmission Services Corp.)	5.00	5/15/2046	3,750,000	4,043,052
Lower Colorado River Authority, Revenue Bonds, Refunding (LCRA Transmission Services Corp.) Ser. A	4.00	5/15/2049	1,500,000	1,430,103

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Texas - 8.9% (continued)</b>				
Lubbock Electric Light & Power System, Revenue Bonds	5.00	4/15/2048	5,000,000	5,232,330
Mission Economic Development Corp., Revenue Bonds, Refunding (Natgasoline Project)	4.63	10/1/2031	2,700,000 <sup>a</sup>	2,695,640
North Texas Tollway Authority, Revenue Bonds, Refunding, Ser. A	5.00	1/1/2039	14,250,000	14,642,100
Plano Independent School District, GO	5.00	2/15/2043	1,490,000	1,652,929
Tarrant County Cultural Education Facilities Finance Corp., Revenue Bonds (Baylor Scott & White Health Obligated Group) Ser. F	5.00	11/15/2030	2,000,000 <sup>b</sup>	2,218,324
Tarrant County Cultural Education Facilities Finance Corp., Revenue Bonds, Refunding (Baylor Scott & White Health Obligated Group) Ser. A	5.00	11/15/2045	1,500,000	1,530,633
Texas Municipal Gas Acquisition & Supply Corp. IV, Revenue Bonds, Ser. B	5.50	1/1/2034	16,285,000 <sup>b</sup>	18,096,255
West Harris County Regional Water Authority, Revenue Bonds, Refunding	4.00	12/15/2049	3,850,000	3,671,535
				<b>81,585,920</b>
<b>U.S. Related - .9%</b>				
Puerto Rico, GO, Ser. A1	5.63	7/1/2029	6,750,000	7,321,496
Puerto Rico, GO, Ser. A1	5.63	7/1/2027	1,000,000	1,056,442
				<b>8,377,938</b>
<b>Utah - .6%</b>				
Salt Lake City, Revenue Bonds, Ser. A	5.00	7/1/2037	4,500,000	4,630,915
Utah Charter School Finance Authority, Revenue Bonds	5.00	10/15/2048	1,200,000	1,221,966
				<b>5,852,881</b>
<b>Virginia - 1.1%</b>				
Danville Industrial Development Authority, Revenue Bonds, Refunding (Danville Regional Medical Center) (Insured; American Municipal Bond Assurance Corp.)	5.25	10/1/2028	395,000	406,540
Virginia College Building Authority, Revenue Bonds (21st Century College & Equipment Programs)	4.00	2/1/2036	2,000,000	2,095,652
Virginia Public Building Authority, Revenue Bonds, Ser. C	5.00	8/1/2030	2,615,000	2,707,134

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Virginia - 1.1% (continued)</b>				
Virginia Small Business Financing Authority, Revenue Bonds, Refunding (95 Express Lanes)	4.00	1/1/2048	1,500,000	1,396,252
Virginia Small Business Financing Authority, Revenue Bonds, Refunding, Ser. I	5.00	12/31/2052	2,500,000	2,562,556
Williamsburg Economic Development Authority, Revenue Bonds (William & Mary Project) (Insured; Assured Guaranty Municipal Corp.) Ser. A	4.00	7/1/2048	1,000,000	983,949
				<b>10,152,083</b>
<b>Washington - 3.7%</b>				
Grant County Public Utility District No. 2, Revenue Bonds, Refunding, Ser. 2017-O	5.00	1/1/2047	3,400,000	3,567,265
Port of Seattle, Revenue Bonds	5.00	4/1/2044	5,000,000	5,203,690
Tacoma Electric System, Revenue Bonds, Refunding (Sustainable Bond) Ser. A	5.00	1/1/2054	1,250,000	1,355,436
Washington, GO, Refunding, Ser. R	4.00	7/1/2036	3,500,000	3,757,584
Washington, GO, Ser. B	5.00	2/1/2048	5,130,000	5,639,443
Washington Convention Center Public Facilities District, Revenue Bonds	5.00	7/1/2048	5,440,000	5,565,947
Washington Convention Center Public Facilities District, Revenue Bonds	5.00	7/1/2043	6,560,000	6,737,495
Washington Housing Finance Commission, Revenue Bonds, Refunding (Emerald Heights Project) Ser. A	5.00	7/1/2048	1,250,000	1,271,199
Washington Housing Finance Commission, Revenue Bonds, Ser. A1	3.50	12/20/2035	959,301	901,039
				<b>33,999,098</b>
<b>Wisconsin - 4.5%</b>				
Public Finance Authority, Revenue Bonds (Cone Health) Ser. A	5.00	10/1/2052	1,500,000	1,579,568
Public Finance Authority, Revenue Bonds (KU Campus Development Corporation Project)	5.00	3/1/2046	5,000,000	5,061,165
Public Finance Authority, Revenue Bonds, Refunding (Duke Energy Progress) Ser. A2	3.70	10/1/2030	8,900,000 <sup>b</sup>	9,001,569



Description	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
<b>Long-Term Municipal Investments - 98.6% (continued)</b>				
<b>Wisconsin - 4.5% (continued)</b>				
Public Finance Authority, Revenue Bonds, Refunding (Renown Regional Medical Center Obligated Group) Ser. A	5.00	6/1/2040	6,000,000	6,109,857
Public Finance Authority, Revenue Bonds, Refunding (WakeMed Hospital Obligated Group) Ser. A	5.00	10/1/2044	3,890,000	4,048,930
Public Finance Authority, Revenue Bonds, Ser. 1	5.75	7/1/2062	4,500,000	4,796,962
Wisconsin Health & Educational Facilities Authority, Revenue Bonds (Children's Hospital of Wisconsin Obligated Group)	4.00	8/15/2050	4,000,000	3,723,408
Wisconsin Health & Educational Facilities Authority, Revenue Bonds, Refunding (ProHealth Care Obligated Group)	5.00	8/15/2039	6,100,000	6,116,092
Wisconsin Health & Educational Facilities Authority, Revenue Bonds, Refunding (Rogers Memorial Hospital Obligated Group) Ser. A	5.00	7/1/2049	500,000	509,543
				<b>40,947,094</b>
<b>Total Long-Term Municipal Investments</b> (cost \$916,524,812)				<b>899,603,274</b>
<b>Total Investments</b> (cost \$920,064,863)			<b>98.9%</b>	<b>902,640,322</b>
<b>Cash and Receivables (Net)</b>			<b>1.1%</b>	<b>10,258,525</b>
<b>Net Assets</b>			<b>100.0%</b>	<b>912,898,847</b>

<sup>a</sup> Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At February 29, 2024, these securities were valued at \$15,779,596 or 1.73% of net assets.

<sup>b</sup> These securities have a put feature; the date shown represents the put date and the bond holder can take a specific action to retain the bond after the put date.

<sup>c</sup> Security issued with a zero coupon. Income is recognized through the accretion of discount.

<sup>d</sup> These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.

STATEMENT OF INVESTMENTS (Unaudited) (continued)

Portfolio Summary (Unaudited) <sup>†</sup>	Value (%)
General	17.2
Airport	12.6
Medical	12.3
Transportation	11.5
Power	8.0
Education	6.6
Water	5.4
General Obligation	5.3
Development	5.0
Tobacco Settlement	3.9
Nursing Homes	3.2
School District	3.1
Utilities	2.3
Special Tax	.8
Multifamily Housing	.8
Single Family Housing	.7
Student Loan	.3
Prerefunded	.0
	<b>99.0</b>

<sup>†</sup> Based on net assets.  
See notes to financial statements.

## Summary of Abbreviations (Unaudited)

<b>ABAG</b>	Association of Bay Area Governments	<b>AGC</b>	ACE Guaranty Corporation
<b>AGIC</b>	Asset Guaranty Insurance Company	<b>AMBAC</b>	American Municipal Bond Assurance Corporation
<b>BAN</b>	Bond Anticipation Notes	<b>BSBY</b>	Bloomberg Short-Term Bank Yield Index
<b>CIFG</b>	CDC Ixis Financial Guaranty	<b>COP</b>	Certificate of Participation
<b>CP</b>	Commercial Paper	<b>DRIVERS</b>	Derivative Inverse Tax-Exempt Receipts
<b>EFFR</b>	Effective Federal Funds Rate	<b>FGIC</b>	Financial Guaranty Insurance Company
<b>FHA</b>	Federal Housing Administration	<b>FHLB</b>	Federal Home Loan Bank
<b>FHLMC</b>	Federal Home Loan Mortgage Corporation	<b>FNMA</b>	Federal National Mortgage Association
<b>GAN</b>	Grant Anticipation Notes	<b>GIC</b>	Guaranteed Investment Contract
<b>GNMA</b>	Government National Mortgage Association	<b>GO</b>	General Obligation
<b>IDC</b>	Industrial Development Corporation	<b>LOC</b>	Letter of Credit
<b>LR</b>	Lease Revenue	<b>NAN</b>	Note Anticipation Notes
<b>MFHR</b>	Multi-Family Housing Revenue	<b>MFMR</b>	Multi-Family Mortgage Revenue
<b>MUNIPSA</b>	Securities Industry and Financial Markets Association Municipal Swap Index Yield	<b>OBFR</b>	Overnight Bank Funding Rate
<b>PILOT</b>	Payment in Lieu of Taxes	<b>PRIME</b>	Prime Lending Rate
<b>PUTTERS</b>	Puttable Tax-Exempt Receipts	<b>RAC</b>	Revenue Anticipation Certificates
<b>RAN</b>	Revenue Anticipation Notes	<b>RIB</b>	Residual Interest Bonds
<b>SFHR</b>	Single Family Housing Revenue	<b>SFMR</b>	Single Family Mortgage Revenue
<b>SOFR</b>	Secured Overnight Financing Rate	<b>TAN</b>	Tax Anticipation Notes
<b>TRAN</b>	Tax and Revenue Anticipation Notes	<b>TSFR</b>	Term Secured Overnight Financing Rate
<b>USBMMY</b>	U.S. Treasury Bill Money Market Yield	<b>U.S. T-BILL</b>	U.S. Treasury Bill
<b>XLCA</b>	XL Capital Assurance		

*See notes to financial statements.*

# STATEMENT OF ASSETS AND LIABILITIES

February 29, 2024 (Unaudited)

	Cost	Value
<b>Assets (\$):</b>		
Investments in securities—See Statement of Investments	920,064,863	902,640,322
Cash		1,550,776
Interest receivable		10,108,151
Receivable for shares of Common Stock subscribed		16,308
Prepaid expenses		36,630
		<b>914,352,187</b>
<b>Liabilities (\$):</b>		
Due to BNY Mellon Investment Adviser, Inc. and affiliates—Note 3(b)		479,805
Payable for shares of Common Stock redeemed		808,656
Reorganization expense payable—Note 5		34,280
Directors' fees and expenses payable		29,196
Other accrued expenses		101,403
		<b>1,453,340</b>
<b>Net Assets (\$)</b>		<b>912,898,847</b>
<b>Composition of Net Assets (\$):</b>		
Paid-in capital		944,998,894
Total distributable earnings (loss)		(32,100,047)
<b>Net Assets (\$)</b>		<b>912,898,847</b>
<b>Shares Outstanding</b>		
(600 million shares of \$.001 par value Common Stock authorized)		84,101,713
<b>Net Asset Value Per Share (\$)</b>		<b>10.85</b>

*See notes to financial statements.*

# STATEMENT OF OPERATIONS

Six Months Ended February 29, 2024 (Unaudited)

<b>Investment Income (\$):</b>	
<b>Interest Income</b>	<b>16,478,060</b>
<b>Expenses:</b>	
Management fee—Note 3(a)	2,712,783
Shareholder servicing costs—Note 3(b)	428,825
Reorganization expense—Note 5	162,121
Directors' fees and expenses—Note 3(c)	48,699
Prospectus and shareholders' reports	27,626
Professional fees	23,103
Registration fees	16,833
Loan commitment fees—Note 2	10,250
Custodian fees—Note 3(b)	7,620
Chief Compliance Officer fees—Note 3(b)	6,976
Miscellaneous	17,603
<b>Total Expenses</b>	<b>3,462,439</b>
Less—reduction in fees due to earnings credits—Note 3(b)	(56,656)
<b>Net Expenses</b>	<b>3,405,783</b>
<b>Net Investment Income</b>	<b>13,072,277</b>
<b>Realized and Unrealized Gain (Loss) on Investments—Note 4 (\$):</b>	
Net realized gain (loss) on investments	(2,947,138)
Net change in unrealized appreciation (depreciation) on investments	29,647,456
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	<b>26,700,318</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>39,772,595</b>

*See notes to financial statements.*

## STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended February 29, 2024 (Unaudited)	Year Ended August 31, 2023
<b>Operations (\$):</b>		
Net investment income	13,072,277	26,650,118
Net realized gain (loss) on investments	(2,947,138)	(12,955,369)
Net change in unrealized appreciation (depreciation) on investments	29,647,456	(2,114,919)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>39,772,595</b>	<b>11,579,830</b>
<b>Distributions (\$):</b>		
<b>Distributions to shareholders</b>	<b>(12,993,385)</b>	<b>(26,509,620)</b>
<b>Capital Stock Transactions (\$):</b>		
Net proceeds from shares sold	13,423,199	17,460,311
Distributions reinvested	10,500,894	21,273,968
Cost of shares redeemed	(58,757,864)	(112,465,833)
<b>Increase (Decrease) in Net Assets from Capital Stock Transactions</b>	<b>(34,833,771)</b>	<b>(73,731,554)</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>(8,054,561)</b>	<b>(88,661,344)</b>
<b>Net Assets (\$):</b>		
Beginning of Period	920,953,408	1,009,614,752
<b>End of Period</b>	<b>912,898,847</b>	<b>920,953,408</b>
<b>Capital Share Transactions (Shares):</b>		
Shares sold	1,287,219	1,643,391
Shares issued for distributions reinvested	993,756	2,014,639
Shares redeemed	(5,542,580)	(10,638,852)
<b>Net Increase (Decrease) in Shares Outstanding</b>	<b>(3,261,605)</b>	<b>(6,980,822)</b>

*See notes to financial statements.*

## FINANCIAL HIGHLIGHTS

The following table describes the performance for the fiscal periods indicated. Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Net asset value total return includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. These figures have been derived from the fund's financial statements.

	Six Months Ended February 29, 2024 (Unaudited)	Year Ended August 31,				
		2023	2022	2021	2020	2019
<b>Per Share Data (\$):</b>						
Net asset value, beginning of period	10.54	10.70	12.19	12.00	12.16	11.56
Investment Operations:						
Net investment income <sup>a</sup>	.15	.29	.27	.29	.31	.32
Net realized and unrealized gain (loss) on investments	.31	(.16)	(1.41)	.25	(.07)	.63
Total from Investment Operations	.46	.13	(1.14)	.54	.24	.95
Distributions:						
Dividends from net investment income	(.15)	(.29)	(.27)	(.29)	(.31)	(.33)
Dividends from net realized gain on investments	-	-	(.08)	(.06)	(.09)	(.02)
Total Distributions	(.15)	(.29)	(.35)	(.35)	(.40)	(.35)
Net asset value, end of period	10.85	10.54	10.70	12.19	12.00	12.16
<b>Total Return (%)</b>	4.42 <sup>b</sup>	1.27	(9.52)	4.57	2.05	8.35
<b>Ratios/Supplemental Data (%):</b>						
Ratio of total expenses to average net assets	.77 <sup>c</sup>	.75	.73	.72	.72	.73
Ratio of net expenses to average net assets	.75 <sup>c</sup>	.73	.73	.72	.72	.73
Ratio of interest and expense related to inverse floater notes issued to average net assets	-	.01	.00 <sup>d</sup>	.00 <sup>d</sup>	.01	.01
Ratio of net investment income to average net assets	2.89 <sup>c</sup>	2.78	2.38	2.38	2.60	2.78
Portfolio Turnover Rate	10.34 <sup>b</sup>	15.03	14.58	9.11	19.23	14.49
Net Assets, end of period (\$ x 1,000)	912,899	920,953	1,009,615	1,207,437	1,216,235	1,279,132

<sup>a</sup> Based on average shares outstanding.

<sup>b</sup> Not annualized.

<sup>c</sup> Annualized.

<sup>d</sup> Amount represents less than .01%.

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

### NOTE 1—Significant Accounting Policies:

BNY Mellon Municipal Bond Fund (the “fund”) is the sole series of BNY Mellon Municipal Bond Funds, Inc. (the “Company”), which is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified open-end management investment company. The fund’s investment objective is to seek to maximize current income exempt from federal income tax, to the extent consistent with the preservation of capital. BNY Mellon Investment Adviser, Inc. (the “Adviser”), a wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), serves as the fund’s investment adviser. Insight North America LLC (the “Sub-Adviser”), an indirect wholly-owned subsidiary of BNY Mellon and an affiliate of the Adviser, serves as the fund’s sub-adviser. BNY Mellon Securities Corporation (the “Distributor”), a wholly-owned subsidiary of the Adviser, is the distributor of the fund’s shares, which are sold to the public without a sales charge.

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund is an investment company and applies the accounting and reporting guidance of the FASB ASC Topic 946 Financial Services-Investment Companies. The fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

The Company enters into contracts that contain a variety of indemnifications. The fund’s maximum exposure under these arrangements is unknown. The fund does not anticipate recognizing any loss related to these arrangements.

**(a) Portfolio valuation:** The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether



such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

**Level 1**—unadjusted quoted prices in active markets for identical investments.

**Level 2**—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

The Company's Board of Directors (the "Board") has designated the Adviser as the fund's valuation designee to make all fair value determinations with respect to the fund's portfolio investments, subject to the Board's oversight and pursuant to Rule 2a-5 under the Act.

Investments in municipal securities are valued each business day by an independent pricing service (the "Service") approved by the Board. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Municipal investments (which constitute a majority of the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. The Service is engaged under the general oversight of the Board. All of the preceding securities are generally categorized within Level 2 of the fair value hierarchy.

When market quotations or official closing prices are not readily available, or are determined not to accurately reflect fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board. Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized within Level 2 or 3 of the fair value hierarchy depending on the relevant inputs used.

For securities where observable inputs are limited, assumptions about market activity and risk are used and such securities are generally categorized within Level 3 of the fair value hierarchy.

The following is a summary of the inputs used as of February 29, 2024 in valuing the fund's investments:

	Level 1- Unadjusted Quoted Prices	Level 2- Other Significant Observable Inputs	Level 3- Significant Unobservable Inputs	Total
<b>Assets (\$)</b>				
Investments in Securities:†				
Collateralized Municipal- Backed Securities	-	3,037,048	-	<b>3,037,048</b>
Municipal Securities	-	899,603,274	-	<b>899,603,274</b>

† See *Statement of Investments* for additional detailed categorizations, if any.

**(b) Securities transactions and investment income:** Securities transactions are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the identified cost basis. Interest income, adjusted for accretion of discount and amortization of premium on investments, is earned from settlement date and recognized on the accrual basis. Securities purchased or sold on a when-issued or delayed delivery basis may be settled a month or more after the trade date.

**(c) Market Risk:** The value of the securities in which the fund invests may be affected by political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market. In addition, turbulence in financial markets and

reduced liquidity in equity, credit and/or fixed-income markets may negatively affect many issuers, which could adversely affect the fund. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.

**Municipal Securities Risk:** The amount of public information available about municipal securities is generally less than that for corporate equities or bonds. Special factors, such as legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of the fund's investments in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality, or state, territory or possession of the United States in which the fund invests may have an impact on the fund's share price.

**(d) Dividends and distributions to shareholders:** It is the policy of the fund to declare dividends daily from net investment income. Such dividends are paid monthly. Dividends from net realized capital gains, if any, are normally declared and paid annually, but the fund may make distributions on a more frequent basis to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that net realized capital gains can be offset by capital loss carryovers, it is the policy of the fund not to distribute such gains. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

**(e) Federal income taxes:** It is the policy of the fund to continue to qualify as a regulated investment company, which can distribute tax-exempt dividends, by complying with the applicable provisions of the Code, and to make distributions of income and net realized capital gain sufficient to relieve it from substantially all federal income and excise taxes.

As of and during the period ended February 29, 2024, the fund did not have any liabilities for any uncertain tax positions. The fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended February 29, 2024, the fund did not incur any interest or penalties.

Each tax year in the three-year period ended August 31, 2023 remains subject to examination by the Internal Revenue Service and state taxing authorities.

The fund is permitted to carry forward capital losses for an unlimited period. Furthermore, capital loss carryovers retain their character as either short-term or long-term capital losses.

The fund has an unused capital loss carryover of \$13,875,409 available for federal income tax purposes to be applied against future net realized capital gains, if any, realized subsequent to August 31, 2023. The fund has \$6,210,442 of short-term capital losses and \$7,664,967 of long-term capital losses which can be carried forward for an unlimited period.

The tax character of distributions paid to shareholders during the fiscal year ended August 31, 2023 was as follows: tax-exempt income \$26,509,620. The tax character of current year distributions will be determined at the end of the current fiscal year.

**NOTE 2—Bank Lines of Credit:**

The fund participates with other long-term open-end funds managed by the Adviser in a \$738 million unsecured credit facility led by Citibank, N.A. (the “Citibank Credit Facility”) and a \$300 million unsecured credit facility provided by BNY Mellon (the “BNYM Credit Facility”), each to be utilized primarily for temporary or emergency purposes, including the financing of redemptions (each, a “Facility”). The Citibank Credit Facility is available in two tranches: (i) Tranche A is in an amount equal to \$618 million and is available to all long-term open-ended funds, including the fund, and (ii) Tranche B is an amount equal to \$120 million and is available only to BNY Mellon Floating Rate Income Fund, a series of BNY Mellon Investment Funds IV, Inc. Prior to September 27, 2023, the Citibank Credit Facility was \$823.5 million with Tranche A available in an amount equal to \$688.5 million and Tranche B available in an amount equal to \$135 million. In connection therewith, the fund has agreed to pay its pro rata portion of commitment fees for Tranche A of the Citibank Credit Facility and the BNYM Credit Facility. Interest is charged to the fund based on rates determined pursuant to the terms of the respective Facility at the time of borrowing. During the period ended February 29, 2024, the fund did not borrow under the Facilities.

**NOTE 3—Management Fee, Sub-Advisory Fee and Other Transactions with Affiliates:**

(a) Pursuant to a management agreement (the “Agreement”) with the Adviser, the management fee is computed at the annual rate of .60% of the

value of the fund's average daily net assets and is payable monthly. The Agreement provides that if in any fiscal year the aggregate expenses of the fund (excluding taxes, interest expense, brokerage commissions and extraordinary expenses) exceed 1½% of the value of the fund's average daily net assets, the fund may deduct from the payment to be made to the Adviser, or the Adviser will bear, such excess expense. During the period ended February 29, 2024, there was no expense reimbursement pursuant to the Agreement.

Pursuant to a sub-investment advisory agreement between the Adviser and the Sub-Adviser, the Adviser pays the Sub-Adviser a monthly fee at an annual rate of .288% of the value of the fund's average daily net assets.

**(b)** Under the Shareholder Services Plan, the fund reimburses the Distributor at an amount not to exceed an annual rate of .25% of the value of the fund's average daily net assets for certain allocated expenses of providing certain services. These services provided may include personal services relating to shareholder accounts, such as answering shareholder inquiries regarding the fund, and services related to the maintenance of shareholder accounts. During the period ended February 29, 2024, the fund was charged \$237,514 pursuant to the Shareholder Services Plan.

The fund has arrangements with BNY Mellon Transfer, Inc., (the "Transfer Agent") and The Bank of New York Mellon (the "Custodian"), both a subsidiary of BNY Mellon and an affiliate of the Adviser, whereby the fund may receive earnings credits when positive cash balances are maintained, which are used to offset Transfer Agent and Custodian fees. For financial reporting purposes, the fund includes transfer agent net earnings credits, if any, and custody net earnings credits, if any, as an expense offset in the Statement of Operations.

The fund compensates the Transfer Agent, under a transfer agency agreement, for providing transfer agency and cash management services for the fund. The majority of Transfer Agent fees are comprised of amounts paid on a per account basis, while cash management fees are related to fund subscriptions and redemptions. During the period ended February 29, 2024, the fund was charged \$107,699 for transfer agency services. These fees are included in Shareholder servicing costs in the Statement of Operations. These fees were partially offset by earnings credits of \$49,036.

The fund compensates the Custodian, under a custody agreement, for providing custodial services for the fund. These fees are determined based on net assets, geographic region and transaction activity. During the period

ended February 29, 2024, the fund was charged \$7,620 pursuant to the custody agreement. These fees were offset by earnings credits of \$7,620.

The fund compensates the Custodian, under a shareholder redemption draft processing agreement, for providing certain services related to the fund's check writing privilege. During the period ended February 29, 2024, the fund was charged \$7,245 pursuant to the agreement, which is included in Shareholder servicing costs in the Statement of Operations.

During the period ended February 29, 2024, the fund was charged \$6,976 for services performed by the fund's Chief Compliance Officer and his staff. These fees are included in Chief Compliance Officer fees in the Statement of Operations.

The components of "Due to BNY Mellon Investment Adviser, Inc. and affiliates" in the Statement of Assets and Liabilities consist of: management fee of \$435,347, Custodian fees of \$4,800, Chief Compliance Officer fees of \$2,103 and Transfer Agent fees of \$37,555.

(c) Each board member also serves as a board member of other funds in the BNY Mellon Family of Funds complex. Annual retainer fees and meeting attendance fees are allocated to each fund based on net assets.

#### **NOTE 4—Securities Transactions:**

The aggregate amount of purchases and sales (including paydowns) of investment securities, excluding short-term securities, during the period ended February 29, 2024, amounted to \$93,036,208 and \$123,619,781, respectively.

At February 29, 2024, accumulated net unrealized depreciation on investments was \$17,424,541, consisting of \$10,164,879 gross unrealized appreciation and \$27,589,420 gross unrealized depreciation.

At February 29, 2024, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes (see the Statement of Investments).

#### **NOTE 5—Plan of Reorganization:**

The Board of the fund, a series of the Company, has approved an Agreement and Plan of Reorganization (the "Agreement") providing for the transfer of the fund's assets to BNY Mellon AMT-Free Municipal Bond Fund (the "Acquiring Fund") in a tax-free exchange for shares of the Acquiring Fund and the assumption by the Acquiring Fund of the fund's stated liabilities, the distribution of such shares of the Acquiring Fund to fund shareholders and the subsequent termination of the fund. Neither the Agreement nor the Reorganization required the approval of the

shareholders of either fund. The Agreement provides for the transfer of all of the assets of the fund to the Acquiring Fund in exchange solely for Class Z shares of the Acquiring Fund, having an aggregate net asset value equal to the value of the fund's net assets, and the assumption by the Acquiring Fund of the fund's stated liabilities (the "Reorganization") on March 8, 2024. As of the end of the reporting period, total reorganization costs were estimated to be approximately \$171,500 of which \$162,121 was accrued by the fund as of February 29, 2024.

## INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AND SUB-INVESTMENT ADVISORY AGREEMENTS (Unaudited)

At a meeting of the fund's Board of Directors (the "Board") held on October 30-31, 2023, the Board considered the renewal of the fund's Management Agreement, pursuant to which the Adviser provides the fund with investment advisory and administrative services, and the Sub-Investment Advisory Agreement (together with the Management Agreement, the "Agreements"), pursuant to which Insight North America LLC (the "Sub-Adviser") provides day-to-day management of the fund's investments. The Board members, none of whom are "interested persons" (as defined in the Investment Company Act of 1940, as amended) of the fund, were assisted in their review by independent legal counsel and met with counsel in executive session separate from representatives of the Adviser and the Sub-Adviser. In considering the renewal of the Agreements, the Board considered several factors that it believed to be relevant, including those discussed below. The Board did not identify any one factor as dispositive, and each Board member may have attributed different weights to the factors considered.

Analysis of Nature, Extent, and Quality of Services Provided to the Fund. The Board considered information provided to it at the meeting and in previous presentations from representatives of the Adviser regarding the nature, extent, and quality of the services provided to funds in the BNY Mellon fund complex, including the fund. The Adviser provided the number of open accounts in the fund, the fund's asset size and the allocation of fund assets among distribution channels. The Adviser also had previously provided information regarding the diverse intermediary relationships and distribution channels of funds in the BNY Mellon fund complex (such as retail direct or intermediary, in which intermediaries typically are paid by the fund and/or the Adviser) and the Adviser's corresponding need for broad, deep, and diverse resources to be able to provide ongoing shareholder services to each intermediary or distribution channel, as applicable to the fund.

The Board also considered research support available to, and portfolio management capabilities of, the fund's portfolio management personnel and that the Adviser also provides oversight of day-to-day fund operations, including fund accounting and administration and assistance in meeting legal and regulatory requirements. The Board also considered the Adviser's extensive administrative, accounting and compliance infrastructures, as well as the Adviser's supervisory activities over the Sub-Adviser.

Comparative Analysis of the Fund's Performance and Management Fee and Expense Ratio. The Board reviewed reports prepared by Broadridge Financial Solutions, Inc. ("Broadridge"), an independent provider of investment company data based on classifications provided by Thomson Reuters Lipper ("Lipper"), which included information comparing (1) the performance of the fund's shares with the performance of a group of retail no-load general and insured municipal debt funds selected by Broadridge as comparable to the fund (the "Performance Group") and with a broader group of funds consisting of all retail and institutional general and insured municipal debt funds (the "Performance Universe"), all for various periods ended August 31,



2023, and (2) the fund's actual and contractual management fees and total expenses with those of the same group of funds in the Performance Group (the "Expense Group") and with a broader group of funds consisting of all retail no-load general and insured municipal debt funds, excluding outliers (the "Expense Universe"), the information for which was derived in part from fund financial statements available to Broadridge as of the date of its analysis. The Adviser previously had furnished the Board with a description of the methodology Broadridge used to select the Performance Group and Performance Universe and the Expense Group and Expense Universe.

*Performance Comparisons.* Representatives of the Adviser stated that the usefulness of performance comparisons may be affected by a number of factors, including different investment limitations and policies that may be applicable to the fund and comparison funds and the end date selected. The Board also considered the fund's performance in light of overall financial market conditions. The Board discussed with representatives of the Adviser and the Sub-Adviser the results of the comparisons and considered that the fund's total return performance was equal to or above the Performance Group and Performance Universe medians for all periods, except for the one-year period when the return performance was below the Performance Group median and Performance Universe median. The Board also considered that the fund's yield performance was below the Performance Group median for each of the ten one-year periods ended August 31st and was above or equal to the Performance Universe median for eight of the ten one-year periods ended August 31st. The Board considered the relative proximity of the fund's performance to the Performance Group and/or Performance Universe medians during certain periods under review. The Advisor also provided a comparison of the fund's calendar year total returns to the returns of the fund's benchmark, and it was noted that the fund's returns were above the returns of the index in five of the ten calendar years shown. The also Board noted that the fund had a four-star overall rating from Morningstar and a four-star rating for the ten-year period from Morningstar based on Morningstar's risk-adjusted return measure.

*Management Fee and Expense Ratio Comparisons.* The Board reviewed and considered the contractual management fee rate payable by the fund to the Adviser in light of the nature, extent and quality of the management services and the sub-advisory services provided by the Adviser and the Sub-Adviser, respectively. In addition, the Board reviewed and considered the actual management fee rate paid by the fund over the fund's last fiscal year. The Board also reviewed the range of actual and contractual management fees and total expenses as a percentage of average net assets of the Expense Group and Expense Universe funds and discussed the results of the comparisons.

The Board considered that the fund's contractual management fee was higher than the Expense Group median contractual management fee, the fund's actual management fee was higher than the Expense Group median and higher than the Expense Universe median actual management fee, and the fund's total expenses were higher than the Expense Group median and higher than the Expense Universe median total expenses.

## INFORMATION ABOUT THE RENEWAL OF THE FUND'S MANAGEMENT AND SUB-INVESTMENT ADVISORY AGREEMENTS (Unaudited) (*continued*)

Representatives of the Adviser reviewed with the Board the management or investment advisory fees paid by funds advised by the Adviser that are in the same Lipper category as the fund (the "Similar Funds"), and explained the nature of the Similar Funds. They discussed differences in fees paid and the relationship of the fees paid in light of any differences in the services provided and other relevant factors. The Board considered the relevance of the fee information provided for the Similar Funds to evaluate the appropriateness of the fund's management fee. Representatives of the Adviser noted that there were no separate accounts and/or other types of client portfolios advised by the Adviser or the Sub-Adviser that are considered to have similar investment strategies and policies as the fund.

The Board considered the fee payable to the Sub-Adviser in relation to the fee payable to the Adviser by the fund and the respective services provided by the Sub-Adviser and the Adviser. The Board also took into consideration that the Sub-Adviser's fee is paid by the Adviser, out of its fee from the fund, and not the fund.

Analysis of Profitability and Economies of Scale. Representatives of the Adviser reviewed the expenses allocated and profit received by the Adviser and its affiliates and the resulting profitability percentage for managing the fund and the aggregate profitability percentage to the Adviser and its affiliates for managing the funds in the BNY Mellon fund complex, and the method used to determine the expenses and profit. The Board concluded that the profitability results were not excessive, given the services rendered and service levels provided by the Adviser and its affiliates. The Board also had been provided with information prepared by an independent consulting firm regarding the Adviser's approach to allocating costs to, and determining the profitability of, individual funds and the entire BNY Mellon fund complex. The consulting firm also had analyzed where any economies of scale might emerge in connection with the management of a fund.

The Board considered, on the advice of its counsel, the profitability analysis (1) as part of its evaluation of whether the fees under the Agreements, considered in relation to the mix of services provided by the Adviser and the Sub-Adviser, including the nature, extent and quality of such services, supported the renewal of the Agreements and (2) in light of the relevant circumstances for the fund and the extent to which economies of scale would be realized if the fund grows and whether fee levels reflect these economies of scale for the benefit of fund shareholders. Representatives of the Adviser stated that, as a result of shared and allocated costs among funds in the BNY Mellon fund complex, the extent of economies of scale could depend substantially on the level of assets in the complex as a whole, so that increases and decreases in complex-wide assets can affect potential economies of scale in a manner that is disproportionate to, or even in the opposite direction from, changes in the fund's asset level. The Board also considered potential benefits to the Adviser and the Sub-Adviser from acting as investment adviser and sub-investment adviser, respectively, and took into consideration that there were no soft dollar arrangements in effect for trading the fund's investments.

At the conclusion of these discussions, the Board agreed that it had been furnished with sufficient information to make an informed business decision with respect to the

renewal of the Agreements. Based on the discussions and considerations as described above, the Board concluded and determined as follows.

- The Board concluded that the nature, extent and quality of the services provided by the Adviser and the Sub-Adviser are adequate and appropriate.
- The Board generally was satisfied with the fund's relative performance.
- The Board concluded that the fees paid to the Adviser and the Sub-Adviser continued to be appropriate under the circumstances and in light of the factors and the totality of the services provided as discussed above.
- The Board determined that the economies of scale which may accrue to the Adviser and its affiliates in connection with the management of the fund had been adequately considered by the Adviser in connection with the fee rate charged to the fund pursuant to the Management Agreement and that, to the extent in the future it were determined that material economies of scale had not been shared with the fund, the Board would seek to have those economies of scale shared with the fund.

In evaluating the Agreements, the Board considered these conclusions and determinations and also relied on its previous knowledge, gained through meetings and other interactions with the Adviser and its affiliates and the Sub-Adviser, of the Adviser and the Sub-Adviser and the services provided to the fund by the Adviser and the Sub-Adviser. The Board also relied on information received on a routine and regular basis throughout the year relating to the operations of the fund and the investment management and other services provided under the Agreements, including information on the investment performance of the fund in comparison to similar mutual funds and benchmark performance indices; general market outlook as applicable to the fund; and compliance reports. In addition, the Board's consideration of the contractual fee arrangements for the fund had the benefit of a number of years of reviews of the Agreements for the fund, or substantially similar agreements for other BNY Mellon funds that the Board oversees, during which lengthy discussions took place between the Board and representatives of the Adviser. Certain aspects of the arrangements may receive greater scrutiny in some years than in others, and the Board's conclusions may be based, in part, on its consideration of the fund's arrangements, or substantially similar arrangements for other BNY Mellon funds that the Board oversees, in prior years. The Board determined to renew the Agreements.

# For More Information

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## **BNY Mellon Municipal Bond Fund**

240 Greenwich Street  
New York, NY 10286

### **Adviser**

BNY Mellon Investment Adviser, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Sub-Adviser**

Insight North America LLC  
200 Park Avenue, 7<sup>th</sup> Floor  
New York, NY 10166

### **Custodian**

The Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### **Transfer Agent & Dividend Disbursing Agent**

BNY Mellon Transfer, Inc.  
240 Greenwich Street  
New York, NY 10286

### **Distributor**

BNY Mellon Securities Corporation  
240 Greenwich Street  
New York, NY 10286

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**Ticker Symbol:** DRTAX

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**Mail** The BNY Mellon Family of Funds, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144

**E-mail** Send your request to [info@bnymellon.com](mailto:info@bnymellon.com)

**Internet** Information can be viewed online or downloaded at [www.im.bnymellon.com](http://www.im.bnymellon.com)

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-PORT. The fund's Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the fund voted these proxies for the most recent 12-month period ended June 30 is available at [www.im.bnymellon.com](http://www.im.bnymellon.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov) and without charge, upon request, by calling 1-800-373-9387.

