QUARTERLY INVESTMENT REPORT

BNY Mellon Absolute Return Bond Fund

INVESTMENT MANAGER

Insight INVESTMENT

Insight are leaders in risk management, fixed income and multi-asset investment solutions.

PERFORMANCE BENCHMARK

The Fund will measure its performance against 3- Month EURIBOR (the "Cash Benchmark"). EURIBOR is the Euro Interbank Offer Rate and is a reference rate that is constructed from the average interest rate at which Eurozone banks offer unsecured short-term lending on the inter-bank market.

The Cash Benchmark is used as a target against which to measure its performance on a rolling 12 month basis after fees. The Fund uses Cash Benchmark +3% per annum as a target against which to measure its performance on a rolling annualised 3 year basis before fees.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policies disclosed in the Prospectus.

FUND RATINGS

MORNINGSTAR ★★★★

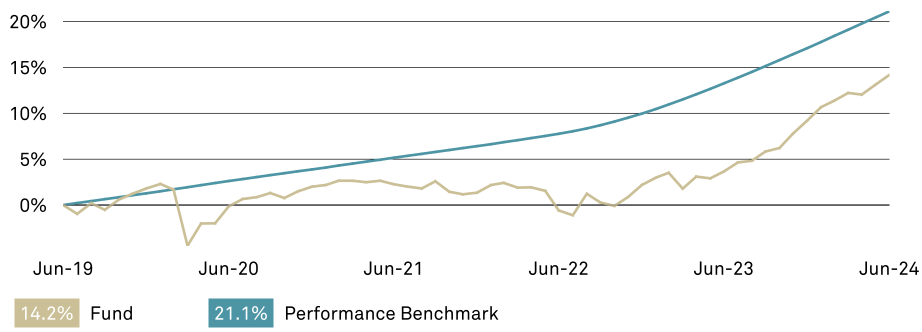
PERFORMANCE DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. Please refer to the prospectus and the KID/KIID before making any investment decisions. Documents are available in English and an official language of the jurisdictions in which the Fund is registered for public sale. Go to www.bnymellonim.com. For a full list of risks applicable to this fund, please refer to the Prospectus or other offering documents.

QUARTERLY HIGHLIGHTS

- Performance: The Fund generated a positive return, net of fees, during the quarter.
- Activity: We were particularly active in June in response to heightened market moves in Europe.
- Outlook & Strategy: We hold long duration positions in US Treasuries and short in Japan.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

	1M	3M	YTD	1YR	2YR	3YR	5YR
					Annualised		
Euro W (Acc.)	0.92	1.75	4.57	10.15	7.16	3.74	2.69
Performance Benchmark	0.54	1.68	3.43	6.93	6.00	4.82	3.90

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	-	-	-	-0.42	-5.83	0.66	0.19	-0.64	0.84	6.84
Performance Benchmark	3.22	2.99	2.74	2.67	2.68	2.64	2.57	2.44	3.34	6.47

Source: Lipper as at 30 June 2024. Fund performance Euro W (Acc.) calculated as total return, based on net asset value, including charges, but excluding initial charge, income reinvested gross of tax, expressed in share class currency. The impact of the initial charge, which may be up to 5%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request. **Returns may increase or decrease as a result of currency fluctuations.**

The benchmark was updated on 01/11/2021, performance prior to the change is shown using the previous benchmark. The share class can be different to that of the base currency of the fund. For CHF it is SARON CHF, For EUR it is EURIBOR, For GBP it is GBP SONIA, For USD it is USD SOFR, For SGD it is SIBOR SGD.

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PERFORMANCE COMMENTARY

European bonds were dragged down in June amid heightened political risk.

THE FUND'S PERFORMANCE BENEFITED FROM BOTH RATES AND CREDIT FACTORS

'Risk-free' assets were highly volatile throughout the second quarter due to political actions and as economic data and inflation levels impacted expectations for the timing of interest rate cuts. Meanwhile, risk assets generally performed well although gains for credit were undermined by higher underlying government bond yields. Credit spreads were largely insulated from volatility in the first couple of months owing to expectations of steady economic growth. However, in June, the surprise announcement of French elections resulted in European investment grade and high yield credit spreads widening significantly.

June also brought the first interest rate cuts, with the European Central Bank, Bank of Canada and Swiss Central Bank lowering rates modestly. After the French elections were called, French government bonds markedly underperformed on fears of a potential populist government. Credit markets did not appreciate this return of political uncertainty and sold off steadily throughout the month, ending around 10 basis points off the lows in spreads reached at the end of May.

By quarter-end, the Bloomberg Euro Aggregate Corporate (investment grade) Index was 6 basis points wider at 120 basis points and the Bloomberg Sterling Aggregate Corporate Index was 4 basis points higher at 123 basis points. High yield markets followed suit, widening modestly overall. The spread on the Bloomberg US Corporate High Yield Index moved up 10 basis points to 309 basis points, while the Pan-European High Yield Index was 12 basis points wider at 359 basis points.

From the Fund's perspective, positive performance was driven by both rates and credit positioning, with all returns coming in May and June. Rates added the most value due mainly to duration positioning (sensitivity to interest rates) from our long position in two to five-year US Treasuries. Yields fell 15-20 basis points in this part of the curve in June after softer-than-expected US economic data.

Our inflation positions also added to returns due mainly to a short position in 10-year sterling as UK inflation pricing fell in June. The annual rate of UK inflation had fallen to 2% in May, which is the Bank of England's target. Our overweight in 30-year US dollar inflation swaps relative to euro-denominated 30-year inflation swaps also contributed.

In credit, returns were boosted by our cash versus credit default swap (CDS) positions as momentum traders were forced to deleverage, leading to significant underperformance in European CDS. This together with stock selection and our loans and asset-backed securities positions more than offset losses from being overweight credit. The moves in CDS were also profitable for our option-trading strategies.

By contrast, our emerging markets positions were a slight detractor in April as yields rose and for the quarter overall.

ACTIVITY REVIEW

We actively participated in June's price action in Europe following French elections being called.

IN CREDIT, WE REMAIN OVERWEIGHT INVESTMENT GRADE WITHIN FINANCIALS AND UTILITIES

We reduced risk in April ahead of the release of inflation data, as valuations appeared stretched. In May, we added to our long US duration position and, subsequently, took profit from the additional exposure, returning to our original allocation. We also increased our short position in the UK.

In June, we increased our long duration position by adding five-year German bonds. We sold duration in France relative to Germany when the elections were announced, which benefited performance as France underperformed for the rest of June. We temporarily exited our long position in Italy given the heightened political risk in Europe, but re-entered once spreads had widened by 20 basis points. We also opened a short position in five-year Swedish interest rate swaps relative to euros. Also, we took advantage of the heightened volatility in CDS to add risk into our option-trading strategies.

INVESTMENT STRATEGY AND OUTLOOK

Valuations in sterling and particularly in euro investment grade still look attractive.

THE POSITIVE ENVIRONMENT FOR RISK MARKETS LOOKS LIKELY TO LAST FOR LONGER THAN PREVIOUSLY EXPECTED

Interest rate cuts and moderating inflation remain the key focus for policymakers and investors. However, high wages remain an obstacle on the path to lower inflation and monetary easing. Meanwhile, political uncertainty surrounding numerous elections continues to impact the markets.

Furthermore, we expect companies' performance to remain robust as we head into 2024 second-quarter earnings. These earnings could bring increased volatility which, coupled with our strong average portfolio credit, could yield positive returns, and, more importantly, mitigate potential downside.

KEY STATISTICS

Description	Fund
Yield (%)	1.6
Spread over swaps (bp)	102.1
Overall duration (years)	1.5
Inflation-linked duration (years)	0.0
Credit spread duration (years)	1.1
Investment grade (years)	1.3
High yield (years)	0.2

ALLOCATION TO OTHER FIXED INCOME MARKETS (%)

Description	Relative
IG bonds	41.9
Government	22.4
ABS	6.9
EMD fund	6.6
Loans	5.5
High yield (fund + direct)	4.9
CDS	-14.4

LARGEST RELATIVE CURRENCY EXPOSURE (%)

Description	Relative
USD	3.5
NOK	1.5
EUR	0.7
NZD	-1.5
CAD	-1.8
Other	-2.4

DURATION EXPOSURE BY CURRENCY (YEARS)

Description	Years
USD	1.9
EUR	1.4
KRW	0.4
NZD	0.4
GBP	0.1
AUD	0.0
SEK	-0.3
CAD	-1.1
Others	-1.2
Total	1.5

Source: BNY Mellon Investment Management EMEA Limited

KEY RISKS ASSOCIATED WITH THIS FUND

- The Fund may invest in China interbank bond market through connection between the related Mainland and Hong Kong financial infrastructure institutions. These may be subject to regulatory changes, settlement risk and quota limitations. An operational constraint such as a suspension in trading could negatively affect the Fund's ability to achieve its investment objective.
- Where the Fund invests significantly in a single market, this may have a material impact on the value of the Fund.
- There is no guarantee that the Fund will achieve its objectives.
- The performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for returns to vary significantly.
- This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Fund can lose significantly more than the amount it has invested in derivatives.
- Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the Fund.
- Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the Fund.
- The issuer of a security held by the Fund may not pay income or repay capital to the Fund when due.
- Emerging Markets have additional risks due to less-developed market practices.
- Contingent Convertible Securities (CoCo's) convert from debt to equity when the issuer's capital drops below a pre-defined level. This may result in the security converting into equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.
- The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.
- If this share class is denominated in a different currency from the base currency of the Fund. Changes in the exchange rate between the share class currency and the base currency may affect the value of your investment.
- For hedged share classes the hedging strategy is used to reduce the impact of exchange rate movements between the share class currency and the base currency. It may not completely achieve this due to factors such as interest rate differentials.
- A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

INVESTMENT OBJECTIVE

To provide a positive absolute return in all market conditions over a rolling 12 month period by investing primarily in debt and debt-related securities and instruments located worldwide and in financial derivative instruments relating to such securities and instruments. However, a positive return is not guaranteed and a capital loss may occur.

GENERAL INFORMATION

Total net assets (million)	€ 312.37
Performance Benchmark	3 Month EURIBOR
Lipper sector	Lipper Global - Absolute Return Other
Fund type	ICVC
Fund domicile	Ireland
Fund manager	Gareth Colesmith / Peter Bentley
Alternate	Shaun Casey / Harvey Bradley
Base currency	EUR
Currencies available	EUR, GBP, USD
Fund launch	09 Mar 2012

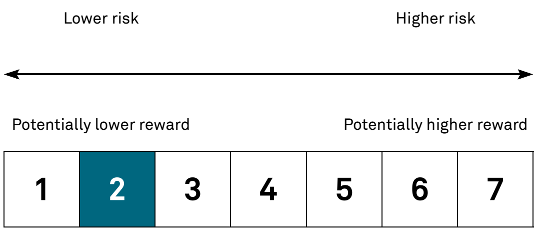
EURO W (ACC.) SHARE CLASS DETAILS

Inception date	03 Oct 2016
Min. initial investment	€ 15,000,000
Max. initial charge	5.00%
Annual mgmt charge	0.75%
ISIN	IE00BP4JQP45
Registered for sale in:	AT, BE, CH, CO, DE, DK, ES, FI, FR, GB, GG, IE, IT, JE, LU, NL, NO, PE, PT, SE, SG, UY

DEALING

09:00 to 17:00 each business day
Valuation point: 12:00 Dublin time
Costs incurred when purchasing, holding, converting or selling any investment, will impact returns. Costs may increase or decrease as a result of currency and exchange rate fluctuations.
For more details please read the KID document.

RISK AND REWARD PROFILE - EURO W (ACC.)



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
We have classified this product as 2 out of 7, which is a low risk class.This rates the potential losses from future performance at a low level,and poor market conditions are very unlikely to impact the capacity of BNY Mellon Fund Management (Luxembourg) S.A. to pay you.

Source: BNY Mellon Investment Management EMEA Limited
Any views and opinions are those of the investment manager, unless otherwise noted.