QUARTERLY INVESTMENT REPORT

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BNY Mellon Absolute Return Bond Fund

INVESTMENT MANAGER

Insight INVESTMENT

Insight are leaders in absolute return investing, multi-asset, specialist equity solutions, fixed income and liability driven investment.

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 ★★★★

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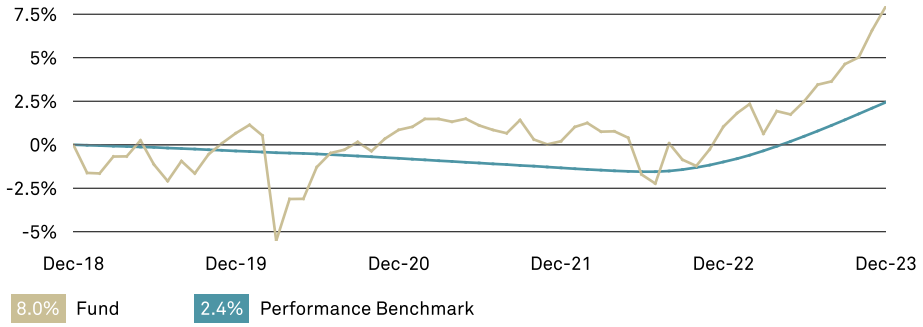
PERFORMANCE DISCLOSURE

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 tactically amended rates and credit positions.
- Outlook & Strategy: A modestly positive global economic outlook should be supportive for credit, in our view.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

					Annualised		
	1M	3M	YTD	1YR	2YR	3YR	5YR
Euro W (Acc.)	1.30	3.17	6.84	6.84	3.80	2.30	1.54
Performance Benchmark	0.33	0.99	3.47	3.47	1.89	1.07	0.48

	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	0.22	-0.01	-0.26	-0.33	-0.32	-0.36	-0.43	-0.55	0.34	3.47

Source: Lipper as at 31 December 2023. 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

The fierce rally in both credit and 'risk-free' assets continued throughout December, driven by ongoing inflows into fixed income that were exacerbated by reduced liquidity into year-end.

OUR LONG DURATION POSITIONING IN US TREASURIES BOOSTED PERFORMANCE AS BOND YIELDS TUMBLED

The final quarter of 2023 saw a material shift in risk appetite as rate expectations fell on hopes the global tightening cycle had ended, and that lower inflation and moderating activity would pave the way for rate cuts in 2024.

The 10-year US Treasury yield hit a peak of nearly 5% in mid-October, while global equity markets bottomed soon after. This followed a three-month slump in which they fell by just over 10%. The change in sentiment caused a powerful rally which saw yields return to levels last seen in July, while the MSCI All World Index rallied to a new 2023 high.

From an economic standpoint, the continued retreat of inflation was a critical component in the improving narrative. In the US, the Consumer Price Index moderated to 3.1% in November, down from 7.1% a year earlier.

Eurozone inflation fell more than expected to 2.4% in November, its lowest level since July 2021. Against this backdrop, the European Central Bank (ECB) had held rates steady for two months, and market expectations for cuts in 2024 built as we approached year-end. Despite this, the ECB was more vocal than the US Federal Reserve in pushing back against early cuts as wages were too high to be consistent with the bank's inflation target.

The pronounced turnaround in market sentiment sparked a broad cross-asset rebound. Bond markets led the way. The US 10-year Treasury yield had risen for six consecutive months by the end of October, but November saw the largest drop in yields since July 2021. This rally continued into year-end, and both US Treasuries and euro sovereign bonds ended the year with positive annual returns.

The moves in duration (which measures sensitivity to interest rates) were also helpful for the riskier end of credit. Investment grade, high yield and emerging market debt all enjoyed additional spread compression as the 'risk-on' tone gained traction.

From the Fund's perspective, positive performance was driven primarily by our long duration positioning in US Treasuries as bond yields fell. Within rates, our inflation positioning proved particularly beneficial (we have a short position in euro inflation swaps relative to a long in US dollar inflation swaps). By contrast, our US yield curve steepening position detracted given that the curve flattened during the rally.

Our long corporate credit positions also added to returns, especially in high yield as they benefitted most from the rally. Our long positions in asset-backed securities and loans were beneficial as rising valuations added to carry generation.

ACTIVITY REVIEW

We are long European investment grade (financials and property), followed by US dollar investment grade.

WE ADJUSTED OUR POSITIONS IN RESPONSE TO FAST-CHANGING MARKET CONDITIONS

As government bond yields reached 5% in October, we increased our long duration position in US Treasuries, but took profits in December as bond yields fell. We also entered short duration positions in the UK and Japan.

We increased credit risk early in the quarter, but subsequently reduced it despite further potential for spread tightening in order to maintain discipline against an uncertain economic outlook. However, we again increased risk in December owing to an improved macroeconomic outlook.

INVESTMENT STRATEGY AND OUTLOOK

Risk assets should continue to benefit from falling inflation and a more benign economic backdrop, in our view.

WE CONTINUE TO TAKE AN ACTIVE APPROACH TO BENEFIT FROM MARKET DISTORTIONS

Whether inflation falls quickly enough to allow US and European central banks to fulfill market expectations regarding the speed of interest rate cuts remains unclear. This leaves open the possibility of periodic bouts of volatility as rate expectations re-adjust.

Nonetheless, as long as the soft landing or mid-cycle slowdown narrative holds, we see the prospect for further gains in risk assets. However, a period of consolidation seems likely given the speed of 2023's year-end rally.

REGIONAL INTEREST RATE DURATION (YEARS)

	Long	Short	Net
USA	4.3	-4.4	-0.1
Other Dollar Bloc	0.0	-1.1	-1.1
Eurozone	5.2	-5.6	-0.3
UK	0.2	-0.5	-0.3
Japan	1.6	0.0	1.6
Emerging Markets	1.4	-2.3	-0.8
Others	0.7	0.0	0.7
Total	13.4	-13.9	-0.5

MATURITY INTEREST RATE DURATION (YEARS)

	Long	Short	Net
0-1 yr	0.1	-0.1	0.0
1-5 yrs	2.8	-2.9	-0.1
5-10 yrs	4.0	-4.9	-0.9
10-15 yrs	0.8	-0.2	0.6
15+ yrs	5.6	-5.8	-0.1
Total	13.4	-13.9	-0.5

UNHEDGED FX EXPOSURE (%)

	Fund
JPY	1.8
EUR	0.5
KRW	0.2
INR	0.1
RUB	0.1
CLP	0.1
CNY	0.1
Others	-2.9
Total	0.0

Source: BNY Mellon Investment Management EMEA Limited

SECTOR SPREAD DURATION (YEARS)

	Long	Short	Net
Non-financial corporates	1.6	-1.6	0.0
Financials	1.1	-0.4	0.7
ABS/MBS	0.1	0.0	0.1
CDS Indices	0.2	-1.2	-1.0
Money Market Instruments	0.3	-0.1	0.2
Total	3.2	-3.3	0.0

CREDIT RATING (HIGHEST) SPREAD DURATION

	Long	Short	Net
AAA	0.0	0.0	0.0
AA	0.0	0.0	0.0
A	0.5	-1.4	-0.9
BBB	1.1	-0.9	0.3
BB	0.7	-0.5	0.2
B	0.8	-0.4	0.4
CCC & below	0.0	0.0	0.0
NR	0.0	0.0	0.0
Total	3.2	-3.3	0.0

COUNTRY OF ISSUER DOMICILE

	Net %	Net Spread Duration (Yrs)
European Union	58.8	0.0
United Kingdom	13.6	0.6
France	5.3	0.2
Germany	5.3	0.1
Netherlands	4.8	0.4
Spain	2.8	0.2
Ireland	2.8	0.0
Japan	2.6	0.0
Austria	2.3	0.1
Switzerland	1.7	0.1
Portugal	0.9	0.0
Bermuda	0.9	0.0
Cyprus	0.8	0.0
Poland	0.7	0.0
Colombia	0.7	0.0
Greece	0.6	0.0
Canada	0.5	-0.1
South Korea	0.2	0.0
Others	-5.3	-1.7
Total	100.0	0.0

KEY RISKS ASSOCIATED WITH THIS 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.
- 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.
- 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.
- 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)	€ 291.79
Performance Benchmark	Cash (3mth 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	CHF, 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.)

Lower risk ← → Higher risk

Potentially lower reward — Potentially higher reward

1	**2**	3	4	5	6	7

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.

IMPORTANT INFORMATION

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The fund is a sub-fund of BNY Mellon Global Funds, plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. The Management Company is BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), regulated by the Commission de Surveillance du Secteur Financier (CSSF). Registered address: 2-4 Rue Eugène Ruppert L-2453 Luxembourg. Information on investor rights including the complaints handling policy and investor redress mechanisms is available at www.bnymellonim.com. The Manager may terminate the arrangements made for the marketing of one or more sub-funds of BNYMGF in one or more EU Member States and shareholders will receive prior notification in this event. In **Austria**, the current Prospectus and the Key Investor Information Document are available free of charge from Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 9, A-1030 Vienna. In **Belgium**, the KIID, Prospectus, articles of association and latest annual report are freely available upon request to from the paying agent : JP Morgan Chase Bank, 1 Boulevard du Roi Albert II, B-1210 Bruxelles, Belgium. The Prospectus, KIIDs, articles of association, annual and half-yearly financial reports are available in French. In **France**, the KIID, Prospectus, articles and latest annual report are freely available upon request to the centralising agent: BNP Paribas Securities Services, 3 rue d'Antin, 75002 Paris, tél: 00 33 1 42 98 10 00. In **Germany**, the prospectus is available from BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), German branch, MesseTurm Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany. In **Spain**, BNY Mellon Global Funds is registered with the CNMV, Registration No. 267. In **Switzerland**, the Company is established as an open-ended umbrella type investment company under Irish law and the Sub-funds are authorised by FINMA for distribution to non-qualified investors in or from Switzerland. The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Ile, 1204 Geneva. Investors in Switzerland can obtain the documents of the Company, such as the Prospectus, the KIIDs, the Memorandum and Articles of Association, the semi-annual and annual reports, each in their latest version as approved by FINMA, in German, and further information free of charge from the Swiss representative.Issued in the **UK** by BNY Mellon Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Conduct Authority. Issued in **Europe** (ex-Switzerland) by BNY Mellon Fund Management (Luxembourg) S.A. (BNY MFML), a public limited company (société anonyme) incorporated and existing under Luxembourg law under registration number B28166 and having its registered address at 2-4 Rue Eugène Ruppert L-2453 Luxembourg. BNY MFML is regulated by the Commission de Surveillance du Secteur Financier (CSSF). Issued in **Switzerland** by BNY Mellon Investments Switzerland GmbH, Bärengasse 29, CH-8001 Zürich, Switzerland. In the **Middle East** the Bank of New York Mellon, DIFC Branch (the "Authorised Firm") is communicating these materials on behalf of The Bank of New York Mellon, Investment Management EMEA Limited ("BNYMIM EMEA"). BNYMIM EMEA is a wholly owned subsidiary of The Bank of New York Mellon Corporation. This material is intended for Professional Clients only and no other person should act upon it. The Authorised Firm is regulated by the Dubai Financial Services Authority and is located at Dubai International Financial Centre, Gate Precinct Building 5 North, Level 6, Room 601, P.O. Box 506723, Dubai, UAE.

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