QUARTERLY INVESTMENT REPORT

BNY Mellon Euroland Bond Fund

INVESTMENT MANAGER

Insight INVESTMENT

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

The Fund transitioned investment manager on the 1st September 2021. Prior to this date it was managed by Mellon Investments Corporation, LLC.

FUND RATINGS

MORNINGSTAR ★★★★

PERFORMANCE BENCHMARK

The Fund will measure its performance against Bloomberg Euro Aggregate Bond TR Index (the "Benchmark"). The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the majority of the Fund's holdings are expected to be constituents of, and have similar weightings to, the Benchmark, the investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

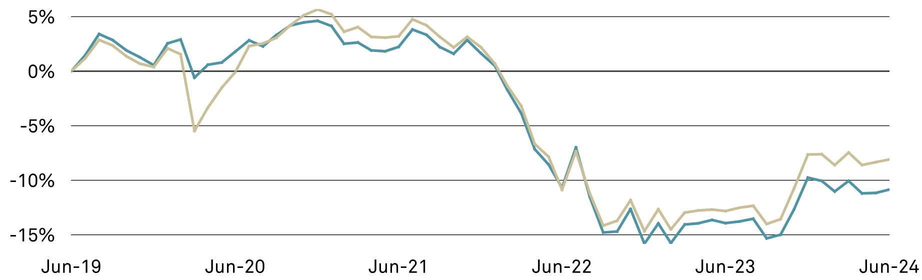
PERFORMANCE NOTE

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 negative return, net of fees, during the quarter. It was ahead of its benchmark.
- Activity: We amended duration positioning in France and Germany.
- Outlook & Strategy: We are constructive on European bonds despite spread levels.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

	1M	3M	YTD	1YR	2YR (Annualised)	3YR (Annualised)	5YR (Annualised)
EUR W (Acc.)	0.27	-0.68	-0.49	5.42	1.54	-3.79	-1.67
Performance Benchmark	0.35	-0.88	-1.21	3.57	-0.09	-4.46	-2.27
Sector	0.34	-0.62	-0.64	3.85	0.85	-3.51	-1.67
No. of funds in sector	126	126	124	123	116	112	102
Quartile	-	-	-	1	2	3	2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	-	-	-	2.29	-1.89	6.55	5.26	-3.30	-16.49	8.24
Performance Benchmark	11.10	1.00	3.32	0.68	0.41	5.98	4.05	-2.85	-17.17	7.19

Source: Lipper as at 30 June 2024. Fund performance EUR 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.

BNY MELLON INVESTMENT MANAGEMENT EMEA LIMITED - CLIENT SERVICES
Tel: +44 20 7163 2367
Fax: +44 20 7163 2039
Email:internationalsales@bnymellon.com
Web: www.bnymellonim.com

PERFORMANCE COMMENTARY

European bond markets faced headwinds in the latter part of the quarter due to political uncertainty in France.

A MODEST OVERWEIGHT CREDIT RISK POSITION WAS NEGATIVE FOR ABSOLUTE PERFORMANCE

The European Central Bank (ECB) became the first major developed market central bank to cut interest rates, as it lowered both its deposit rate and benchmark interest rate by 25 basis points. However, it warned that it would not automatically cut again at its next policy meeting and raised its inflation forecasts for this year and next. The Swiss central bank also cut rates.

Despite this policy easing, European government bonds were negatively impacted by European parliamentary elections and the announcement of snap French elections. The spread between German 10-year and French 10-year bonds jumped dramatically to a near 12-year high of 80 basis points after French President Emmanuel Macron called an election. As a result, European sovereign bonds posted negative returns over the quarter.

In the UK, sticky inflation dashed hopes of a June interest rate cut although headline inflation returned to target in June. Yields rose over the quarter and UK Gilts lost 1.1%. Meanwhile, US Treasury yields ended the quarter where they started, with US Treasuries the only major sovereign market to deliver positive returns (0.1%).

Generally, benign macro conditions continued to support credit markets: corporate earnings remained resilient and both default rates and spreads were contained. The eurozone's GDP growth rate for the first quarter of 2024 was confirmed at 0.3% and the ZEW Economic Sentiment indicator rose more than forecast, reaching 51.3 in June, its first move above 50 since mid-2021.

At the same time, however, the steady decline previously seen in European core inflation suffered a setback, with the rate rising more than expected, to 2.9%.

More dramatically, in June, European credit markets faced the fallout from France's surprise election announcement and sold off steadily throughout the month. Despite this, corporate bonds continued to outperform government bonds and high yield was ahead of investment grade in both the US and Europe.

From the Fund's perspective, our duration positioning was the biggest contributor to relative returns during the second quarter (in May and June). A long duration position in five-year US Treasuries helped as Treasury yields rallied on the back of softer-than-expected economic data. Also, a long duration position in two-year German government bonds contributed in June as their yields fell over the month.

Inflation positioning also added value, particularly in May due to an overweight in 30-year US inflation swaps relative to 30-year euro-denominated inflation swaps.

By contrast, a modest overweight credit risk position was negative for performance in June – which dragged down overall performance for the quarter – as euro investment grade spreads widened with the political turmoil in France dampening risk sentiment.

ACTIVITY REVIEW

The Fund ended the quarter overweight financials and autos, and underweight capital goods and telecoms.

WE ACTIVELY MOVED BETWEEN DURATION POSITIONS IN FRANCE AND GERMANY

In June, we added a short position in France relative to Germany following the announcement of France's election. We also took profit on our two-year German position and added a long five-year German position towards the end of the month.

INVESTMENT STRATEGY AND OUTLOOK

Issuance has picked up strongly in the first half of 2024. Demand is increasing among both institutional and retail investors as they look to lock in absolute yields, which is creating a positive environment for issuance.

CROSS-MARKET OPPORTUNITIES REMAIN AND WE BELIEVE THERE IS GREATER VALUE IN EUROPEAN BONDS

Europe's recovery appears to be led by the periphery, which has helped the region avoid recession. The manufacturing sector has been under pressure for some time, but there are tentative signs of recovery albeit from low levels. Real wage growth and the steady although slow improvement in consumer confidence are supportive. The labour market remains relatively resilient and if wage pressures do not fully feed through to prices, we believe inflation will ease slowly toward the target level.

Since the ECB has said further interest rate cuts will be data-dependent, the pace of easing may be slower than previously expected. Nonetheless, we see rates at, or below, 3% in a year's time, with shorter-term government bond yields at around 2.2%, but with little significant change in yields at longer maturities, as 10-year German government bonds are expected to be close to 2.4%.

The fiscal situation in France, where debt and deficit levels exceed EU rules, could potentially cause market turbulence, particularly together with the political uncertainty that could arise from the election outcome.

Despite credit spreads tightening back to long-term average levels, investment grade credit continues to offer yields comparable to the long-term returns associated with equity markets. The risk of a US recession appears to have receded, and the global economic outlook looks benign as activity accelerates and interest rate cuts appear on the horizon. Therefore, we are constructive on the asset class despite spread levels, and will look to add to exposure on any material spread weakness.

CREDIT QUALITY BREAKDOWN (%)

	Fund	Perf. B'mark
AAA	23.7	28.2
AA	18.7	27.8
A	25.0	19.3
BBB	25.1	24.6
BB	2.9	0.0
NR	1.6	0.1
Cash & Others	3.1	0.0

TOP 10 HOLDINGS (%)

	Fund
Spain (govt Of) Bonos 3.25% 30apr2034	4.3
Spain (govt Of) Bonos 3.45% 31oct2034	2.5
Finland (govt Of) 3% 15sep2033	2.4
Kfw 2% 15nov2029	2.0
UK Treasury 0.625% 22oct2050	1.9
France (govt Of) Oat 3.5% 25nov2033	1.8
Hungary (govt Of) 2% 23may2029	1.7
Portugal (govt Of) 2.125% 17oct2028	1.6
European Union 3.125% 04dec2030	1.5
Credit Agricole Home Loa 0.875% 31aug2027	1.4

Source: BNY Mellon Investment Management EMEA Limited

MATURITY DISTRIBUTION (%)

Years	Fund	Perf. B'mark
0-1 yr	-6.0	0.0
1-3 yrs	23.2	24.4
3-5 yrs	30.5	22.7
5-7 yrs	15.9	15.6
7-10 yrs	17.0	16.0
10-15 yrs	10.0	8.6
15-25 yrs	4.3	8.2
25+yrs	5.1	4.5

GEOGRAPHICAL DISTRIBUTION

	Fund	Perf. B'mark
Spain	14.3	9.8
France	11.9	20.8
Germany	11.0	19.4
Supranational	9.5	6.5
United Kingdom	7.6	1.6
Netherlands	4.2	4.8
Italy	3.8	13.6
Finland	3.8	1.7
United States	3.7	4.2
Others	30.2	17.7

PORTFOLIO CHARACTERISTICS

	Fund	Perf. B'mark
Yield (%)	3.5	3.3
Spread to Government (bp)	101.8	68.4
Spread to Libor (bp)	69	36
Duration (years)	6.5	6.4
Spread duration (years)	3.5	2.5
Maturity (years)	8.0	7.7
Average Coupon (%)	3.2	2.2
Average rating (optimistic)	AA-	AA-
Average rating (pessimistic)	A	A+
Holdings	206.0	7,282.0
Issuer	132.0	1,236.0
Ticker	128.0	1,074.0
YTM	3.5	3.3
YTW	3.5	3.3
WAL	7.7	7.7
Current yield (%)	2.9	1.6

CURRENCY BREAKDOWN (%)

	Fund	Perf. B'mark
(after hedging)		
EUR	99.9	100.0
GBP	0.1	0.0
JPY	0.0	0.0
HUF	0.0	0.0
SEK	0.0	0.0
AUD	0.0	0.0
PLN	0.0	0.0
Others	0.0	0.0

SECTOR DISTRIBUTION (%)

	Fund	Perf. B'mark	Relative
Sovereign Bonds	28.4	53.3	-24.9
Corporate Bonds	27.1	19.3	7.8
Emerging Markets	5.7	3.5	2.3
Securitized	8.6	6.6	2.0
Cash	3.1	0.0	3.1
FX	0.0	0.0	0.0
Other Deriviatives Subtotal	0.0	0.0	0.0
Developed Agencies	13.0	10.9	2.1
Others	14.1	6.5	7.6

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.
- There is no guarantee that the Fund will achieve its objectives.
- Where the Fund invests significantly in a single market, this may have a material impact on 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.
- 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 total return that exceeds the Benchmark (against which it will measure its performance) through investment primarily, meaning at least 90% of its assets, in a portfolio of fixed income bonds and other debt securities issued by corporations or any government, government agency, supranational or public international organisations or in derivatives.

GENERAL INFORMATION

Total net assets (million)	€ 180.85
Performance Benchmark	Bloomberg Euro Aggregate Bond TR Index
Lipper sector	Lipper Global - Bond EUR
Fund type	ICVC
Fund domicile	Ireland
Fund manager	Team approach
Base currency	EUR
Currencies available	EUR, CHF
Fund launch	10 Aug 2001

EUR W (ACC.) SHARE CLASS DETAILS

Inception date	12 Dec 2016
Min. initial investment	€ 15,000,000
Max. initial charge	5.00%
Annual mgmt charge	0.45%
ISIN	IE00BDB5R146
Registered for sale in:	AT, BE, CH, CL, 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: 22:00 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 - EUR 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 3 out of 7, which is a medium-low risk class.This rates the potential losses from future performance at a medium low level, and poor market conditions are 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