

# BNY Mellon Dynamic Value Fund

## MANAGER COMMENTARY | Q4 2025

Class A **DAGVX**    Class I **DRGVX**

### MARKET REVIEW

Equity performance was broadly positive across developed and emerging markets. Cooling inflation across major economies, resilient economic growth and improving visibility on corporate earnings supported investor confidence, despite ongoing geopolitical and policy uncertainty. Risk sentiment was further boosted by selective central bank easing and year-end portfolio rebalancing, underpinning gains across global equities.

As we start the new year, we have an optimistic view on equity markets and value investing.

### QUARTERLY PERFORMANCE

BNY Mellon Dynamic Value Fund (Class A at NAV) returned 4.84% during the fourth quarter of 2025. In comparison, the fund's benchmark, the Russell 1000 Value Index (the "Index"), returned 3.81% for the same time period.

#### Average Annual Total Returns (12/31/25)

Share Class / Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Class A (NAV) / 9/29/95	4.84%	18.20%	18.20%	15.50%	16.12%	12.91%
Class A (5.75% max. load)	-1.19%	11.40%	11.40%	13.24%	14.76%	12.24%
Class I (NAV) / 5/31/01	4.87%	18.47%	18.47%	15.79%	16.41%	13.19%
Russell 1000 <sup>®</sup> Value Index	3.81%	15.91%	15.91%	13.90%	11.33%	10.53%

The performance data quoted represents past performance, which is no guarantee of future results. Share price and investment return fluctuate, and an investor's shares may be worth more or less than original cost upon redemption. Current performance may be lower or higher than the performance quoted. Performance for periods less than 1 year is not annualized. Go to [bny.com/investments](https://bny.com/investments) for the fund's most recent month-end returns. Returns assume the reinvestment of dividends and capital gains, if any.

#### Total Expenses (12/31/25)

Share Class	Gross <sup>1</sup>	Net <sup>2</sup>
Class A	0.94%	0.93%
Class I	0.71%	0.68%

<sup>1</sup>Gross expenses is the total annual operating expense ratio for the fund, before any fee waivers or expense reimbursements. <sup>2</sup>Net Expenses is the total annual operating expense ratio for the fund, after any applicable fee waivers or expense reimbursements. The net expense ratio(s) reflect a contractual expense reduction agreement through 12/31/2026, without which, the returns would have been lower. The Net Expenses is the actual fund expense ratio applicable to investors. Not all classes of shares may be available to all investors or through all broker-dealer platforms.

## MARKET REVIEW (continued)

The S&P 500® Index increased by 2.66% for the quarter. Within the index, eight of the 11 Global Industry Classification Standard (GICS) equity sectors finished in positive territory, led by health care and communication services. Value stocks outperformed growth stocks. Among other major equity benchmarks, the MSCI EAFE Index, a measure of developed markets excluding the US and Canada, increased by 4.86%, while the MSCI Emerging Markets Index increased by 4.73%.

In the US, equities generally advanced during the fourth quarter. The Dow Jones Industrial Average® increased by 4.03%, while the NASDAQ 100 Index® increased by 2.47%. US fixed-income markets also posted gains. Markets proved resilient amid elevated uncertainty driven by a prolonged federal government shutdown and ongoing geopolitical tensions in the Middle East. Inflation, as measured by the headline consumer-price index, eased gradually from 3.0% year-over-year in September to 2.7% year-over-year in November. Labor market data, while disrupted and delayed, pointed to slowing momentum rather than a sharp deterioration. Economic growth remained firm, with third-quarter gross domestic product (GDP) rising at a solid 4.3% annualized, supported by consumer spending and government outlays despite softer retail sales and business investment. Against this backdrop, the Federal Reserve cut rates by 25 basis points (bps) early in the quarter, while maintaining a cautious tone and reaffirming a data-dependent policy stance as markets looked ahead to 2026.

Equity markets in developed economies were broadly higher during the quarter. In the eurozone, fourth-quarter data signaled easing inflation and mixed growth dynamics. Inflation moderated toward the European Central Bank's (ECB's) 2% target, while business activity improved and GDP grew modestly, enabling the ECB to keep rates unchanged throughout the quarter. UK inflation declined steadily from elevated levels, while growth weakened and labor markets softened. The Bank of England shifted from holding rates earlier in the quarter to a 25-bp cut at its December meeting. In Japan, inflation remained above target and unemployment stayed low, despite a third-quarter GDP contraction and softer activity indicators. As a result, the Bank of Japan ended its hold with a late-quarter 25-bp hike, continuing its normalization effort.

Emerging-market equities were positive for the quarter. In China, growth slowed from earlier in the year, and consumer and property-sector weakness persisted; however, data showed tentative stabilization, as manufacturing and services activity returned to slight expansion, enabling the People's Bank of China to keep lending rates unchanged throughout the quarter. Brazil's economy softened into the fourth quarter amid widening external deficits and weaker activity indicators. Nonetheless, the central bank maintained its restrictive 15% policy rate despite easing inflation. India stood out with solid momentum, posting robust GDP growth, rising industrial output and relatively contained inflation, supported by government commitments to greater capital spending and reform. In contrast, Mexico faced weak growth and a third-quarter contraction, prompting successive rate cuts as inflation eased. Argentina bolstered financial stability through a sizeable currency-swap agreement and improving US export prospects.

Commodities were slightly higher, with the Refinitiv/CoreCommodity CRB Index rising 0.35%. During the fourth quarter, precious metals posted solid gains, with gold, silver and platinum supported by safe-haven demand amid geopolitical tensions, a US government shutdown and a weaker US dollar, culminating in a robust year-end rally. In contrast, energy markets were softer. Oil prices trended lower throughout the quarter as ample global supply, rising inventories and slowing demand outweighed geopolitical risks. Natural gas was volatile, rising early in the quarter on colder weather, liquefied natural gas export demand and seasonal heating needs, before ending the year lower as weather-driven strength faded. The US dollar weakened against a basket of major currencies.

## PERFORMANCE REVIEW

The fund (Class A shares at NAV) outperformed its benchmark, the Russell 1000 Value Index, during the fourth quarter of 2025. Stock selection in the financials and materials sectors contributed. Conversely, stock selection in the communication services and health care sectors detracted.

## SECTOR REVIEW<sup>1</sup>

### Positive Impacts

**Financials:** Security selection in the financials sector was a main driver of relative returns during the quarter, particularly among insurance names such as Assurant. Bank holdings were also beneficial, including the position in Citigroup.

**Materials:** Stock selection in materials was a tailwind to performance for the quarter. The metals and mining space was particularly buoyed as metals such as gold, silver, and copper reached new highs.

### Negative Impacts

**Communication Services:** Challenging stock selection and an underweight to the sector was the lead detractor. This included not owning and then being underweight to Alphabet.

**Health Care:** In the health care sector, stock selection detracted, pulled lower by both an overweight and stock selection among health care technology providers.

## STOCK REVIEW<sup>1</sup>

### Positive Impacts

**Freeport-McMoRan:** Shares of the copper producer were weak heading into the quarter following an accident at one of its copper mines, but rallied as copper prices improved on supply concerns.

**Assurant:** During the quarter, the insurance provider raised full-year guidance and announced a significant dividend increase and share repurchase program.

**Applied Materials:** Shares of the semiconductor capital equipment maker moved higher over the quarter on increased momentum in memory demand.

### Negative Impacts

**Alphabet Class C:** An underweight to the internet search giant and cloud computing company weighed on relative returns as shares were solid after reporting better-than-expected third-quarter results, which included considerable revenue growth in the firm's generative artificial intelligence (AI) models.

Top 10 Holdings (12/31/25)	%
JPMorgan Chase & Co.	3.75
Johnson & Johnson	3.58
Exxon Mobil	3.27
Assurant	3.08
Berkshire Hathaway, Cl. B	3.08
Cisco Systems	3.01
Bank Of America	2.65
Alphabet, Cl. A	2.35
Applied Materials	2.21
L3Harris Technologies	2.19
The holdings listed should not be considered recommendations to buy or sell a security. Large concentrations can increase share price volatility.	

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**Marathon Petroleum:** Shares of the oil and gas refiner were weak during the period as oil prices trended lower during the quarter.

**Micron Technology:** Not owning Micron Technology detracted from relative returns for the quarter. Shares of this semiconductor chip manufacturing company rallied on increased demand for its memory chips.

1. Performance of individual stock evaluated is based on total effect. Total effect represents the opportunity cost of an investment manager's investment decisions relative to an overall benchmark, which can include holdings that are not held by the portfolio but contribute to relative portfolio performance.

## MARKET OUTLOOK

As we start the new year, we have an optimistic view on equity markets and value investing. This optimism is largely driven by the combination of cyclical, structural and secular factors that we believe are starting to align. Among these positive tailwinds, we believe fiscal policy, deregulation, and the broadening out of artificial intelligence (AI) adoption will be the most notable and could benefit value-oriented sectors such as financials, healthcare, energy, and materials.

Within this positive stance, we continue to be mindful of some of the lingering risks that exist. These include "AI exuberance" and lofty expectations around those companies and sectors that are most levered to this exciting innovation. We especially want to be aware of and account for index and portfolio concentration in this area of the market. In addition, we will continue to monitor monetary policy and the market's expectations for interest rates, which has been a source of volatility for the past few years. Geopolitical risk, which has already perked up to start 2026, is something that will also likely have an impact on markets and the names we own in the portfolios.

We believe our investment process is built for these types of environments as it helps us sort through the opportunities and risks to identify those companies that have the characteristics we believe can help drive returns as well as offer balance to a portfolio.

We continue to believe experienced active managers with long-tenured teams that employ a consistent and repeatable process are best suited for this type of environment, given a widening dispersion of potential macro outcomes and investment returns. It is also our view that investing in companies that sit at the nexus of strong and improving fundamentals, attractive valuation and catalyst-driven business momentum have the potential to deliver the best investment outcomes for our clients.

**Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. To obtain a prospectus, or a summary prospectus, if available, that contains this and other information about a fund, contact your financial professional. For more information, call 1-800-373-9387 or visit [bny.com/investments](https://bny.com/investments). Read the prospectus carefully before investing. Investors should discuss with their financial professional the eligibility requirements for Class I, which are available only to certain eligible investors, and the historical results achieved by the fund's respective share classes.**

**Past performance is no guarantee of future results.**

## Risks

**Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including

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changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries.

As of 12/31/25, the companies mentioned represented 12.22% of the fund's portfolio in the aggregate. Micron Technology was not a fund holding as of 12/31/25. The holdings listed should not be considered recommendations to buy or sell a particular security. Other holdings may not have performed as well as some of those listed herein. Portfolio composition is subject to change at any time.

The **Russell 1000® Value Index** is an unmanaged index which measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. The **S&P 500® Index** is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. This is not a benchmark for the fund. The **Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE®) Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure equity performance in developed markets, excluding the United States and Canada. The index consists of select designated MSCI national developed market indices. The **MSCI Emerging Markets Index** is a free float-adjusted, market capitalization-weighted index that is designed to measure the equity performance in global emerging markets. The index consists of 22 MSCI emerging-market national indices. This is not a benchmark for the fund. The **Dow Jones Industrial Average**, Dow Jones, or simply the Dow, is a stock market index of 30 prominent companies listed on stock exchanges in the United States. The **Nasdaq-100 Index** is a stock market index made up of equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock exchange. The **Refinitiv/CoreCommodity CRB Index** is a benchmark index that tracks the price movements of a basket of 19 globally traded commodities. It is designed to provide a broad representation of the commodity market, and is used as a benchmark for commodity-related investments. An investor cannot invest directly in any index. GICS stands for the **Global Industry Classification Standard**, a system developed by S&P Dow Jones Indices and MSCI to categorize companies into sectors and industries based on their principal business activities. The **Consumer Price Index (CPI)** measures the average change over time in the prices consumers pay for a fixed "basket" of consumer goods and services, acting as a key indicator for inflation and cost of living changes, calculated by tracking prices of items like food, housing, and transportation from retail establishments and reflecting shifts in consumer spending habits.

The fund's investment adviser is BNY Mellon Investment Adviser, Inc. (BNYIA). BNYIA has engaged its affiliate, Newton Investment Management North America, LLC (NIMNA), to serve as the fund's sub-adviser. NIMNA has entered into a sub-sub-investment advisory agreement with its affiliate, Newton Investment Management Limited (NIM), to enable NIM to provide certain advisory services to NIMNA for the benefit of the fund.

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