

Manager Commentary Q3 2026

BNY MELLON HIGH YIELD STRATEGIES FUND

Ticker: DHF CUSIP: 09660L105

Describe the performance of the Fund in relation to its benchmark during the last three months.

The BNY Mellon High Yield Strategies Fund (the "Fund") underperformed the ICE BofA U.S. High Yield Constrained Index on a NAV basis for the three-month period ending September 30, 2026.

The U.S. High Yield (HY) market posted a 1.82% decline in the third quarter, bringing year-to-date (YTD) returns to 0.04%. For 3Q, HY spreads widened 37 basis points (bps) to 312 bps option-adjusted spread (OAS) as of September 30, 2026. U.S. Treasuries experienced pressure with the 10-year widening to 5.29% from 4.47% at the end of June. Yields for the asset class climbed to 8.30% at the end of the quarter from 7.15% in June. The overall performance weakness came despite solid corporate earnings, an improving credit profile, and stable defaults but reflected elevated concerns about energy prices, related inflationary pressure and expected central bank actions. Technicals for the asset class also came under some pressure, including outflows from U.S. mutual funds in September, bringing YTD outflows to \$3.4 billion. Additionally, strong supply from artificial intelligence (AI)-related issuers and large mergers and acquisitions (M&A) funding weighed on the asset class.

For the HY asset class, quality returns reflected increased dispersion. CCCs declined 3.57% during the quarter and spreads spiked to multi-year highs. Single Bs outperformed, down 1.30%, compared to a 1.86% decline in BBs, partly impacted by higher duration in BBs.

How is the Fund currently positioned and what is your current strategy?

High-yield spreads and yields have widened amid persistent inflationary pressures, elevated energy prices, central bank policy uncertainty, and, more recently, increased supply related to AI funding needs. These dynamics have contributed to a more challenging technical environment for the asset class, resulting in increased volatility and greater performance dispersion, especially across quality. At the same time, underlying credit fundamentals remain solid, supported by strong corporate earnings, improving credit metrics and stable default rates.

Against this backdrop, we are seeing potential opportunities across high yield following the recent repricing. Our focus remains on BB- and B-rated credits, while we continue to exercise significant caution toward CCC-rated debt, particularly stressed situations. We are also maintaining an increased allocation to bank loans, where we believe current all-in yields remain compelling. From a sector perspective, we continue to favor telecom and healthcare, while taking a more selective approach to financials and retail.

DISCLOSURES

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 or visit bny.com/investments. Read the prospectus carefully before investing. Past performance is no guarantee of future results.

Risks

Bonds are subject to interest-rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. **High yield bonds** involve increased credit and liquidity risk than higher-rated bonds and are considered speculative in terms of the issuer's ability to pay interest and repay principal on a timely basis. The use of **derivatives** involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value and there is the risk that changes in the value of a derivative held by the portfolio will not correlate with the underlying instruments or the portfolio's other investments. The use of **leverage** magnifies the fund's investment, market and certain other risks. For derivatives with a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. **The Fund is subject to investment risk, including the possible loss of the entire amount you invest.**

Shares of closed-end funds (CEF) are sold in the open market through a stock exchange. Shares may only be purchased or sold through registered broker/dealers. Closed-end funds, unlike open-end funds, are typically not continuously offered. An investment in CEFs presents a number of risks and is not appropriate for all investors. Investors should carefully review and consider potential risks before investing. Closed End Funds (CEFs) are exposed to much of the same risk as other exchange-traded products, including liquidity risk on the secondary market, credit risk, concentration risk and discount risk. Shares of closed-end funds frequently trade at a market price that is below their net asset value. This is commonly referred to as "trading at a discount." This characteristic of shares of closed-end funds is a risk separate and distinct from the risk that the fund's net asset value may decrease.

The ICE BofA U.S. High Yield Constrained Index contains all securities in the ICE BofA U.S. High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Investors cannot invest directly in any index.

Basis points (bps) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001. **Bond ratings** are an evaluation of a bond's credit quality and the issuer's ability to meet scheduled interest and principal payments, assigned by NRSROs on a scale from AAA (highest) to D (default). Ratings of BBB- and above are investment grade; BB+ and below are non-investment grade (speculative/high-yield), with BB, B, and CCC representing progressively higher credit risk. **Spread** generally refers to the difference between two prices or rates. This can be seen in various contexts, including bid-ask spreads in trading, yield spreads on bonds, and credit spreads. **Option-adjusted spread (OAS)** is a measure used to compare the yield of bonds with embedded options against the risk-free rate of return.

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The fund's investment adviser is BNY Mellon Investment Adviser, Inc. (BNYIA). BNYIA has engaged BSP NY LLC (BSP) to serve as the fund's sub-adviser. BSP is a global asset management firm focused on sub-investment grade corporate credit. BNY Mellon Investment Adviser, Inc. and BNY Mellon Securities Corporation are affiliated with BNY. BSP is not affiliated with BNY Mellon Securities Corporation or The Bank of New York Mellon Corporation. BNY Investments is the brand name for the investment management business of BNY and its investment firm affiliates worldwide. BNY is the corporate brand of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole or its various subsidiaries generally.

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