

BNY Mellon Dynamic Value ETF

MANAGER COMMENTARY | Q1 2026

BKDV

MARKET REVIEW

Equity performance was broadly negative across developed and emerging markets. Heightened geopolitical tensions involving Iran and the subsequent spike in oil prices weighed on risk sentiment despite resilient, albeit slowing, global growth and moderating inflation. The S&P 500® Index declined 4.33% for the quarter. Within the index, six of the 11 Global Industry Classification Standard (GICS®) equity sectors finished in positive territory, led by energy and materials. Value stocks outperformed growth stocks. Among other major equity benchmarks, the MSCI EAFE Index, a measure of developed markets excluding the U.S. and Canada, decreased by 1.24%, while the MSCI Emerging Markets Index decreased by 0.17%.

In our view, headline risk will remain elevated for the foreseeable future and will lead to more dramatic risk on/risk off days for the market.

QUARTERLY PERFORMANCE

BNY Mellon Dynamic Value ETF outperformed the Russell 1000 Value Index (the "Index") during the first quarter of 2026.

Average Annual Total Returns (3/31/26)

Ticker	3 Month	YTD	1 Year	Since Inception (11/1/24)
BKDV Market Price	2.21%	2.21%	18.00%	13.59%
BKDV NAV	2.38%	2.38%	17.96%	13.56%
Russell 1000® Value Index	2.10%	2.10%	15.87%	--

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/etf for the fund's most recent month-end returns. Returns assume the reinvestment of dividends and capital gains, if any. A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. Market Price performance is calculated using the most recent NYSE Arca Official Closing Price. Market Price returns do not represent investors' returns had they traded shares at other times.

Total Expenses (3/31/26)

Ticker	Gross ¹	Net ²
BKDV	0.60%	0.60%

¹Gross expenses is the total annual operating expense ratio for the fund, before any fee waivers or expense reimbursements. ²Net Expenses is the total annual operating expense ratio for the fund, after any applicable fee waivers or expense reimbursements. The Net Expenses is the actual fund expense ratio applicable to investors.

MARKET REVIEW (continued)

In the U.S., equity markets delivered negative returns during the quarter, with the Dow Jones Industrial Average® declining 3.19% and the NASDAQ 100 Index® falling 5.82%. U.S. fixed-income markets were broadly flat over the period. Geopolitical developments in the Middle East, including the effective closure of the Strait of Hormuz, contributed to elevated market volatility and increased downside risks later in the quarter. Against this backdrop, the U.S. economy remained relatively resilient. The Federal Reserve held rates steady as inflation eased from 2.7% year over year in December to 2.2% in February. Labor markets remained solid, with payroll growth rebounding following a weaker December reading and unemployment edging down to 4.2%. Consumer data were mixed: sentiment fell to a multiyear low in January before improving through March, while retail spending softened and then stabilized. Meanwhile, manufacturing remained in contraction, highlighting persistent weakness in the industrial sector. The U.S. dollar declined against a basket of major currencies.

Equity markets in developed economies were broadly lower, with the UK and Japan among the primary exceptions. The eurozone continued to expand gradually, with gross domestic product (GDP) growth of 1.4% (annualized) in the fourth quarter of 2025, slightly above expectations. Purchasing Managers' Indices (PMIs) edged higher through March, while inflation eased from 1.7% in January to 1.6% in February. The European Central Bank (ECB) held rates steady, signaling patience amid ongoing structural and geopolitical headwinds. In the UK, inflation also trended lower, falling from 3.4% in December to 2.8% in February, although the Bank of England kept rates unchanged at 3.75% amid continued uncertainty. Japan's economy remained stable, with inflation holding around 1.5% and the Bank of Japan maintaining an accommodative stance while monitoring wage dynamics. Initial fourth-quarter 2025 GDP growth was weak at approximately 0.2% (annualized) and below expectations, weighing on sentiment and the yen, before being revised higher to 1.3% (annualized) later in the quarter.

Emerging-market equities posted negative returns for the quarter, although they outperformed their developed-market peers. In China, full-year growth met the government's 5% target for 2025, though activity slowed to 4.5% year over year in the fourth quarter. At the start of the year, PMIs slipped back into contraction in January, and inflation eased from 0.8% to 0.2%, before activity showed modest improvement in March, with manufacturing returning to expansion. India remained a relative bright spot, with PMI data indicating solid, though slightly moderating, expansion amid rising input costs. In Latin America, Brazil's central bank initially held rates steady as inflation hovered near 4.5%, but began easing in March, lowering the policy rate to 14.75% as price pressures leveled off. Mexico's central bank kept rates on hold at 7.00% amid persistent inflation concerns and a delayed path back to target. Geopolitical developments and changes in U.S. policy toward Venezuela, including adjustments to oil export licenses, added uncertainty during the quarter but supported a modest recovery in Venezuelan crude output.

Commodities moved higher during the period, with the Refinitiv/CoreCommodity CRB Index rising 25.78%. Commodity markets were influenced by shifting supply dynamics and heightened geopolitical risk. Oil prices trended upward throughout the quarter—ending January and February near multi-month highs and rising sharply in March—supported by supply discipline from the Organization of the Petroleum Exporting Countries and its allies (OPEC+), resilient demand, and increased geopolitical tensions involving Iran and the Strait of Hormuz. Natural-gas prices rose early in the quarter amid cold-weather demand before reversing in February and March as ample U.S. supply weighed on the market. Precious metals generally advanced early in the quarter, supported by safe-haven demand and a weaker U.S. dollar, before pulling back in March, while copper declined in February amid concerns about softer demand.

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PERFORMANCE REVIEW

The fund outperformed its benchmark, the Russell 1000 Value Index, during the first quarter of 2026. An overweight to the energy sector added the most to relative returns; stock selection in the industrials sector was also beneficial. Conversely, an underweight and stock selection in the consumer staples and utilities sectors detracted.

SECTOR REVIEW¹

Positive Impacts

Energy: An overweight in the sector was the leading contributor to relative returns during the quarter, supported by soaring crude prices due to the war in Iran. Leading contributors included Marathon Petroleum Corporation, Permian Resources Corporation Class A, and Exxon Mobil Corporation.

Industrials: Stock selection in the industrials sector also contributed, most notably among aerospace and defense holdings.

Negative Impacts

Consumer Staples: Stock selection and an underweight to consumer staples sector detracted as market volatility increased demand for defensive sectors. Additionally, the position in Estee Lauder Companies Class A was a leading detractor.

Utilities: An underweight and stock selection in the utilities sector detracted.

STOCK REVIEW¹

Positive Impacts

Applied Materials: Applied Materials manufactures semiconductor and display equipment and is viewed as a major beneficiary of artificial intelligence (AI) data center expansion. In its earnings report, the firm forecasted better-than-expected quarterly results, helped by increased chipmaking tool orders driven by AI demand.

Marathon Petroleum Corporation: This leading independent downstream and midstream energy company gained due to the sharp rally in crude prices, sparked by the war in Iran and threats to energy flows coming through the Strait of Hormuz.

Permian Resources Corporation Class A: This leading independent oil and natural gas company gained due to the sharp rally in energy prices.

Top 10 Holdings (3/31/26)	%
Exxon Mobil	3.28
JPMorgan Chase & Co.	3.09
Berkshire Hathaway	2.91
Cisco Systems	2.71
Johnson & Johnson	2.65
Applied Materials	2.51
Texas Instruments	2.25
Colgate-Palmolive	2.10
Amazon.com	2.04
SLB	1.96
The holdings listed should not be considered recommendations to buy or sell a security. Large concentrations can increase share price volatility.	

Negative Impacts

Assurant: Assurant provides risk management and specialty insurance solutions. While revenue rose, helped by higher premiums and investment income, shares faced short-term selling pressure along with the rest of the insurance space on fears that AI could accelerate disruption in the industry. The firm used the share price drop as an opportunity to boost its share repurchase program for the year.

Chevron Corporation: Not owning Chevron weighed on performance as the firm benefited from the sharp rally in crude prices.

Estee Lauder Companies Class A: Shares of the leading manufacturer and marketer of prestigious beauty products detracted after the company announced a potential merger with Spanish fragrance company Puig.

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

Equity market volatility in the first quarter started with concerns about how AI would disrupt and/or completely displace existing industries and companies; this was quickly overshadowed by the start of the war in Iran. In both cases, there is a high level of uncertainty and skepticism around the potential outcomes and investors have largely responded by taking a more defensive posture. In our view, headline risk will remain elevated for the foreseeable future and will lead to more dramatic risk on/risk off days for the market.

We are the first to acknowledge that we do not have an edge on the macro environment, nor do we forecast potential geopolitical outcomes. What does give us confidence in these highly uncertain markets is our experienced portfolio management team, the depth and breadth of our resources as we make investment decisions, and a time-tested investment process designed to uncover opportunities in periods of uncertainty and elevated skepticism. One of the key pillars of our investment process is identifying companies with strong and improving fundamentals. In our view, companies with robust balance sheets, sustainable earnings and cash flow growth, and solid management teams should be able to withstand these types of environments better than their lower-quality peers.

We would also argue that the current environment calls for an active management approach. Equity markets are forward looking and can move quickly to price in, or price out, these types of risks. Investors who adopt too defensive a posture risk missing a potential quick recovery. We believe active managers with extensive resources at their disposal are best suited to identifying the winners and losers, regardless of the market driver. Above all, it is our view that investing in companies that sit at the nexus of strong and improving fundamentals, attractive valuations, and catalyst-driven business momentum has the potential to deliver the most attractive investment outcomes for our clients.

Investors should consider the investment objectives, risks, charges and expenses of an ETF 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/etf. Read the prospectus carefully before investing.

Past performance is no guarantee of future results.

BNY Mellon Dynamic Value ETF

Risks

ETFs trade like stocks, are subject to investment risk, including possible loss of principal. The risks of investing in ETFs typically reflect the risks associated with the types of instruments in which the ETF invests.

ETF shares are listed on an exchange, and shares are generally purchased and sold in the secondary market at market price. At times, the market price may be at a premium or discount to the ETF's per share NAV. In addition, ETFs are subject to the risk that an active trading market for an ETF's shares may not develop or be maintained. Buying or selling ETF shares on an exchange may require the payment of brokerage commissions. Any applicable brokerage commissions will reduce returns.

The fund will issue (or redeem) fund shares to certain institutional investors known as "Authorized Participants" (typically market makers or other broker-dealers) only in large blocks of fund shares known as "Creation Units." BNY Mellon Securities Corporation ("BNYSC"), a subsidiary of BNY, serves as distributor of the fund. BNYSC does not distribute fund shares in less than Creation Units, nor does it maintain a secondary market in fund shares. BNYSC may enter into selected dealer agreements with Authorized Participants for the sale of Creation Units of fund shares.

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 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.

Q is quarter. **US** is United States. **FDIC** is Federal Deposit Insurance Corporation. **CRB** is Commodity Research Bureau. **LLC** is Limited Liability Company. **AI** is Artificial intelligence and refers to computer systems that can perform tasks typically requiring human intelligence, such as visual perception, speech recognition, decision-making, and language translation.

As of 3/31/26, the companies mentioned represented 9.95% of the fund's portfolio in the aggregate. Chevron Corporation was not a fund holdings as of 3/31/26. 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.

Index Definitions

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. 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. 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. 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 **Purchasing Managers Index** is a monthly economic indicator that measures the health of the manufacturing or services sector based on surveys of purchasing managers. A reading above 50 indicates economic expansion, while below 50 signals contraction. An investor cannot invest directly in any index.

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The fund's investment adviser is BNY Mellon ETF Investment Adviser, LLC. BNY Mellon ETF Investment Adviser, LLC has engaged its affiliate, Newton Investment Management North America, LLC (NIMNA), to serve as the fund's sub-adviser.

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