BNY | INVESTMENTS

Manager Commentary Q3 2026

BNY MELLON ENHANCED DIVIDEND AND INCOME ETF (BEDY)

Market Review

Global equities rose in the third quarter, driven by strong earnings growth. However, renewed conflict between the U.S. and Iran pushed oil prices higher, which in turn lifted inflationary pressures and bond yields. Bonds also took a hit from mounting government debt across developed markets, while corporate bonds faced additional pressure as large technology companies issued debt to fund their artificial intelligence (AI) ambitions. Concerns about excessive AI spending weighed on equities in July, though confidence returned as the quarter progressed. Nevertheless, value stocks outpaced their growth counterparts over the quarter. U.S. equities outperformed other developed markets, with the S&P 500® Index returning 2.30%. The MSCI EAFE Index, which tracks developed markets outside the U.S. and Canada, gained 0.81%, while the MSCI Emerging Markets Index returned -0.37%.

Quarterly Performance

BNY Mellon Enhanced Dividend and Income ETF (NAV) returned 0.34% during the third quarter of 2026. In comparison, the fund's benchmark, the Russell 1000 Value Index (the "Index"), returned 2.61% for the same time period. The predecessor fund's benchmark, the Dow Jones U.S. Select Dividend Index, returned -1.83% for the same time period.

Average Annual Total Returns (9/30/26)

Ticker	3 Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
BEDY Market Price	0.56	13.38	18.10	17.83	14.01	12.60
BEDY NAV	0.34	12.95	17.75	17.72	13.94	12.57
Russell 1000® Value Index	2.61	19.27	23.81	20.07	11.92	11.43
Dow Jones U.S. Select Dividend Index™	-1.83	10.63	11.24	16.81	10.12	10.19

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 NASDAQ Official Closing Price. Market Price returns do not represent investors' returns had they traded shares at other times.

The performance information shown before December 5, 2025 reflects that of Class M shares of BNY Mellon Income Stock Fund ("Predecessor Fund"), which had a different fee structure than the fund. The fund's investment strategies are similar to those of the Predecessor Fund; however, unlike the Predecessor Fund, the fund invests in ELNs as part of its principal investment strategies. The performance returns shown are based on the Predecessor Fund's fee structure and investment strategies. Past performance may have been different if the fund's current fee structure and investment strategies had been in place during the period. The NAV and market price performance of the ETF use the predecessor mutual fund's NAV from inception to listing.

Total Expenses (9/30/26)

	Gross[1]	Net[2]
BEDY	0.50%	0.50%

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

Market Review (continued)

U.S. equities delivered mixed results. The S&P 500 led the way, while the NASDAQ 100 Index® gained 0.58% and the Dow Jones Industrial Average® fell 2.34%. Within the S&P 500, just four of the 11 Global Industry Classification Standard (GICS) sectors rose, led by energy and information technology.

The U.S. economy remained resilient. Gross domestic product (GDP) growth for the second quarter came in at 2.2%, beating expectations, though down from the first quarter's 2.5%. Job growth disappointed in June and July, but August payrolls came in well ahead of expectations. Inflation, which peaked at 4.2% in May, cooled to 3.5% in June and 3.4% in July and August, still above the Federal Reserve's target. As expected, the central bank raised rates by 25 basis points (bps) to 3.75%–4.00% in September and signaled further tightening this year. U.S. Treasuries sold off sharply, as higher oil prices lifted inflation expectations and worries about rising government debt deepened. The U.S. dollar edged higher against a basket of currencies over the quarter.

Across other developed markets, the European Central Bank raised rates by 25 bps in September, its second hike of 2026, as eurozone inflation remained above target and economic activity stayed relatively resilient. The eurozone's GDP grew 0.6% in the second quarter from the prior quarter, its fastest pace since the second quarter of 2022. In the U.K., political uncertainty eased after Andy Burnham succeeded Keir Starmer as prime minister in July. Burnham had previously backed higher government spending, which had rattled government bonds, but he pledged to stick to existing borrowing limits, reassuring investors. The Bank of England held rates steady throughout the quarter, though rising oil prices boosted expectations of a rate hike later in the year. Meanwhile, the Bank of Japan raised rates to 1.25% in September, the highest in more than three decades, to stabilize inflation. Even so, the yen still weakened against the U.S. dollar, given the wide gap between the two countries' interest rates.

Emerging-market equities slipped modestly, lagging their developed-market peers. South Korea fared worst, hit hard by a sell-off in AI-related stocks in July, while India felt the squeeze from higher oil prices. However, rising oil prices supported Brazil, an energy exporter, while cooling inflation further lifted sentiment, prompting the central bank to cut rates twice during the quarter. Taiwan and China also gained. Taiwan, like Korea, sold off sharply in July as chip stocks weakened, before rebounding strongly as investors regained confidence in the AI theme. China's gains came despite persistent concerns about weak domestic demand and some disappointing data: second-quarter GDP growth missed expectations, and retail sales growth slowed in July and August.

Commodities delivered strong gains, with the Bloomberg Commodity Index Total Return returning 16.19% over the quarter. Oil prices surged as conflict flared again in the Middle East, with Brent crude climbing above $100 a barrel. Geopolitical uncertainty and rising inflation expectations also supported precious metals, with both gold and silver rising modestly, though gains were capped by rising bond yields and the prospect of higher interest rates.

Performance Review

The fund underperformed its benchmark, the Russell 1000 Value Index, during the third quarter of 2026. Relative performance was supported by positioning and stock selection in utilities, along with stock selection in consumer staples. However, these contributions were more than offset by weaker stock selection and positioning in information technology, as well as weaker stock selection in financials.

Top 10 Holdings (9/30/26)

	%		%
Citigroup Global Markets Holdings	7.47	UnitedHealth Group	2.84
Microsoft	5.44	Cisco Systems	2.83
JPMorgan Chase & Co.	4.10	Johnson & Johnson	2.81
Fifth Third Bancorp	3.37	Agilent Technologies	2.54
AT&T	3.35	SLB	2.50

The holdings listed should not be considered recommendations to buy or sell a security. Large concentrations can increase share price volatility.

Sector Review[1]

Positive Impacts

Utilities: An underweight position and stock selection in the utilities sector contributed to relative performance during the third quarter, led primarily by electric utilities.

Consumer Staples: Stock selection in consumer staples also contributed to relative performance, particularly within the consumer staples distribution and retail subsector.

Negative Impacts

Information Technology: An underweight position and stock selection in information technology weighed on relative returns during the third quarter. In particular, not holding several well-performing companies in the technology hardware, storage, and peripherals subsector detracted from relative results.

Financials: Stock selection in financials also weighed on relative performance, particularly among insurance companies and banks.

Stock Review[1]

Key Contributors

Agilent Technologies: Shares of the life sciences company contributed following momentum from its late August earnings release, which included positive forward guidance. The company is also benefitting from an uptick in health care spending.

NetApp: NetApp contributed positively to relative performance during the quarter, supported by strong share price appreciation. The advance reflected better-than-expected financial results, solid demand tied to AI and data-center modernization, and increased confidence following higher full-year guidance.

Intel Corporation: Not owning Intel contributed to relative performance, as shares declined amid softer near-term growth expectations, higher capital spending, and broader weakness across the semiconductor sector. Investor sentiment was also pressured by execution-related concerns tied to the company's manufacturing roadmap.

Key Detractors

Apple: Not owning Apple weighed on relative results, as shares rose ahead of its new iPhone launch.

Applied Materials: Applied Materials detracted from relative performance during the quarter, as shares pulled back amid elevated valuation expectations, profit-taking following earlier gains, and broader weakness across semiconductor stocks. Investor sentiment was also weighed down by questions around the pace of AI-related spending and near-term industry capacity constraints.

CRH public limited company: Shares of the global building materials group detracted, as macroeconomic headwinds negatively affected the construction materials segment.

[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

Over the past few years, we believe investors may have adopted a "balanced" approach in their portfolios given the volatility in the market as well as the wide dispersion of potential outcomes from major macro events and thematic drivers. We believe that so far in 2026, an emphasis on diversification and balance helped investors navigate the multiple changes in market leadership. Shifts in investor sentiment around AI-related beneficiaries and laggards, followed by geopolitical tensions spiking and then easing, and more recently, uncertainty about monetary policy, especially in the U.S., have led to some dramatic shifts in market direction and desired exposures.

In the coming weeks, companies will begin reporting earnings for the third quarter. We will be particularly focused on how they have been dealing with higher energy and input prices and whether they are being absorbed by the companies or being passed along the supply chain to the consumer. Also of particular interest are companies' outlooks for 2027 to identify which companies are gaining, or losing, earnings momentum.

In addition to corporate earnings season, we will also be following the U.S. mid-term elections, where "affordability" is the key debate. While we do not have any predictions on the outcome, we do note that a divided government has historically been positive for the markets. One risk we will be watching is how a potential significant power shift could impact some of the market tailwinds we have experienced over the past year, including fiscal policy and stimulus programs as well as financial deregulation initiatives. For us, we believe a balanced approach can be a beneficial strategy going forward.

Within the strategy, we continue to take advantage of the shorter-term cyclical opportunities presented by the market while also focusing on some of the longer-term structural and secular tailwinds. In the short term, that includes adding and trimming around existing positions in energy and technology. Longer term, we continue to look for the most attractive opportunities that we believe could benefit from fiscal policy and stimulus, financial deregulation, and the potential broadening of AI adoption.

We continue to believe that the current market environment favors an active management approach. Equity markets are forward-looking and can move quickly to price in, or price out, risk and opportunity. It is our view that active managers with extensive resources are well positioned to identify potential opportunities and others to avoid, regardless of the market driver. Above all, we believe that investing in companies with strong and improving fundamentals, attractive valuations, and catalyst-driven business momentum has the potential to provide attractive long-term investment outcomes for our clients.

DISCLOSURES

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.

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, among other factors, to varying degrees. **Value stocks** involve the risk that they may never reach their expected full market value, either because the market fails to recognize the stock's intrinsic worth or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued. There is no guarantee that **dividend-paying stocks** will continue to pay, or increase their dividends in the future.

The Fund may invest in **equity-linked notes ("ELNs")** that include some or all of the following characteristics: writing (selling) call options on a reference security; purchasing corresponding call options on the reference security at a higher strike price than the written call option; executing a futures strategy designed to help offset the opportunity cost to the fund of not being fully invested in the equity market (i.e., the amount allocated to the ELN); and investing in a fixed income component paying a stated interest rate. Each ELN will be structured such that the Fund's maximum potential loss on the ELN will be capped at an amount equal to or less than the principal invested in the ELN. ELNs expose the fund to a variety of risks, associated with underlying components. **Options and Futures Risks**: The writing of call options on reference securities, while collecting premiums, also risks losses if the security's price rises above the strike price. To seek to minimize such losses, ELNs may buy offsetting call options (at the cost of an additional premium) or utilize futures contracts, which however can suffer from imperfect price correlation. In addition, adverse price movements in the reference security can lead to losses—including loss of principal—on both the written-option and futures strategies. **Credit/Counterparty Risk**: ELNs are unsecured notes; if the issuer's credit quality deteriorates, the ELN's value and any payments due may be impaired. Liquidity Risk: the ELNs held by the fund are unlisted, and resale will depend on the issuer's willingness to repurchase the security. Limited secondary markets can make ELNs hard to value or sell, potentially forcing sales at unfavorable prices. **Structural and Operational Considerations**: ELNs have fixed terms and expiration dates, unlike direct equity holdings, which may increase the fund's turnover, transaction costs and tax liabilities.

Taken together, these factors mean ELNs can be more complex and potentially riskier than more typical securities, with exposures to market, credit, liquidity and operational dynamics.

As of 9/30/26, the companies mentioned in Stock Review represented 6.92% of the fund's portfolio in the aggregate. Intel and Apple were not portfolio holdings as of 9/30/26. 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.

Q is quarter. **US** is United States. **FDIC** is Federal Deposit Insurance Corporation. **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.

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 **Dow Jones U.S. Select Dividend ™ Index** is defined as all dividend-paying companies in the Dow Jones U.S. Index, excluding REITs, that have a non-negative historical five-year dividend-per-share growth rate, a five-year average dividend coverage ratio of greater than or equal to 167%, paid dividends in each of the previous five years, non-negative trailing 12-month earnings-per-share (EPS), a float-adjusted market capitalization of at least US$1 billion, and three-month average daily trading volume of 200,000 shares. 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 **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 **Bloomberg Commodity Index** is a broadly diversified financial benchmark that tracks the price movements of exchange-traded futures contracts on physical commodities. 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 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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