

BKSE

BNY Mellon US Small Cap Core Equity ETF

Analyst Report

The BNY Mellon US Small Cap Core Equity ETF (BKSE) tracks an index of hundreds of small cap U.S. stocks, including REITs. BKSE's index methodology first screens for liquidity. The index is composed of companies whose cumulative total market capitalization represents approximately the bottom 3% to 10% of the remaining securities. The investment thesis behind a small cap investment is the growth factor that comes along with these securities. While mega cap firms have already hit their peak, smaller companies may be the next juggernaut. The downside to small cap investing is additional risk. Changes in regulation, credit availability, or product viability could send share prices plummeting. While some exposure to these small companies is healthy for a portfolio, the allocation should be kept relatively low since this market segment experiences extreme volatility. Investors in total-market ETFs already have some allocation to small caps and should ensure they are not unintentionally overweighting a risky space. Conversely, investors with strong convictions about small caps might want to augment a total market fund with a targeted small cap fund. BKSE is priced to match or beat rivals like the iShares Core S&P Small Cap ETF (IJR) or the SPDR Portfolio S&P 600 Small Cap ETF (SPSM).

BKSE is part of a lineup of ETFs introduced by BNY Mellon in April 2020. As a latecomer to a crowded market, BNY Mellon garnered attention by offering extremely low-fee products, including some of the first zero-fee ETFs, making its new funds some of the cheapest on the market.

ESG Themes and Scores

5.53/10

ESG Rate

23.52%

Global Percentile

25.77%

Peer Percentile

Performance Data

	BKSE	ETF Database Category Average	Factset Segment Average
1 Month	5.39%	4.60%	5.02%
3 Month	16.78%	17.82%	15.38%
YTD Return	18.15%	19.36%	16.83%
1 Year Return	36.77%	34.50%	27.24%
3 Year Return	19.15%	16.14%	9.68%
5 Year Return	7.79%	5.10%	3.75%

Top 5 Holdings

Symbol	Holding	% Assets
HUT	Hut 8 Corp.	0.51%
RIOT	Riot Platforms, Inc.	0.40%
SNEX	StoneX Group Inc.	0.40%
TKR	Timken Company	0.38%
CIFR	Cipher Digital Inc.	0.38%

Vitals

Issuer	BNY
Brand	BNY Mellon
Structure	ETF
Expense Ratio	0.04%
Inception	Apr 09, 2020
Index Tracked	Solactive GBS United States 600 Index - Benchmark TR Gross

ETF Database Themes

Category	Small Cap Growth Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Small Cap
Category	Size and Style
Focus	Small Cap
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

