

BNY Mellon Investment Management Hong Kong Limited

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**Form ADV Part 2
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This brochure provides information about the qualifications and business practices of BNY Mellon Investment Management Hong Kong Limited. BNY Mellon Investment Management Hong Kong Limited is registered as an investment adviser with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us at +852.3926.0600 or by email at infohongkong@bnymellon.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration by an investment adviser with the SEC does not imply that the investment adviser has any particular level of skill or training.

Additional information about BNY Mellon Investment Management Hong Kong Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Summary of Material Changes

BNY Mellon Investment Management Hong Kong Limited is a new U.S. investment adviser registrant and this brochure is its initial brochure. Therefore, no material changes have been made to the brochure.

Item 3. Table of Contents

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Item 4. Advisory Business

BNY Mellon Investment Management Hong Kong Limited (the “Firm” or “We” or “Us”) (formally known as BNY Mellon Asset Management Hong Kong Limited) is a company incorporated under the laws of Hong Kong. The Firm is an indirect, wholly-owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”) and a direct wholly-owned subsidiary of BNY Mellon Investment Management (Asia Pacific) Holdings Limited. The Firm was incorporated in 2007 and became licensed with the Hong Kong Securities and Futures Commission in June 2008. Prior to July 2008, the business was operated under a predecessor entity, Mellon Global Investments Asia Limited.

As a newly U.S. registered investment adviser, we currently do not manage client assets on either a discretionary or non-discretionary basis; however, we expect to provide discretionary and non-discretionary investment advisory services primarily to U.S. and non-U.S. institutional investors. Currently, we sell and distribute fund products outside of the U.S. through financial intermediaries. The Firm also added a trading desk in 2013, and currently provides trade execution services to other affiliated investment advisers. We expect to provide investment advisory services to our clients from our principal business office located in Hong Kong. As a result, we currently are and will continue to be registered with the Securities and Futures Commission and subject to regulation by Hong Kong regulatory authorities.

We offer investment advisory services tailored to meet clients’ individual investment goals. We work with clients to create investment guidelines mutually acceptable to the client and the Firm. When creating investment guidelines, clients may impose investment restrictions on certain individual securities or types of securities. The strategies in which we may invest client assets and the fees we may receive for managing such strategies are described below.

We also may offer investment advisory services in the form of pooled investment vehicles or “funds.” Each pooled investment vehicle will have an investment objective and a set of investment policies and/or guidelines that we must follow. For this reason, we cannot tailor the investment advisory services we provide to our funds to meet individual investor needs. In addition, we cannot impose individual investment restrictions on our investment strategies for underlying investors in the pooled investment vehicles.

We may also manage portfolios as separate accounts and act as sub-adviser to registered investment companies, UCITS funds, private funds, and other commingled vehicles.

Item 5. Fees and Compensation

Separate Account Fees:

We provide investment advisory separate account services for a fee. This fee is typically charged as a percentage of your assets under our management. While this fee is typically expressed as an annual percentage, it is calculated based on average daily, month-end, or quarter-end net assets, and generally invoiced on a monthly or quarterly basis in arrears.

The Firm may negotiate with a client for the inclusion of a performance fee in the investment advisory agreement in addition to the asset-based management fee. Please see Item 6 below for more information about our performance fees.

Your investment advisory agreement may also provide that you will incur fees and expenses in addition to our advisory fees such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses may include mark-ups, mark-downs and other amounts included in the price of a security, broker commissions, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Please review your investment advisory agreement for further information on how we charge and collect fees. Please see Item 12 of this brochure for more information on our brokerage practices.

We reserve the right, in our sole discretion, to negotiate or modify (either up or down) the advisory fees applicable to any client due to a variety of factors, including but not limited to: the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different.

The Firm may charge a minimum annual fee for the investment advisory services it provides for separately managed accounts. Minimum annual fees may be negotiated with clients and therefore, may vary.

Pooled Investment Vehicle Fees:

Fees on pooled investment vehicles are typically charged a base management fee as a percentage of the fund's net asset value. Fees are generally accrued as of each business day and are charged to the fund monthly in arrears. Funds may also be subject to additional charges such as custody, brokerage and other transaction costs, administrative and other expenses. Fees are not generally negotiable, though they may be waived or deferred at the discretion of the fund in accordance with the fund's offering materials. Such waivers and deferrals will cause some clients or groups of clients to pay fees that are different from the basic fee schedules disclosed in fund offering materials. Please see the applicable fund's offering materials for further information regarding fees. Further, the funds may also charge performance fees. Please see Item 6 below for more information on our fund performance fees. Please see Item 12 of this brochure for more information on brokerage.

Sub-Advisory Services:

When acting as a sub-adviser, the Firm may receive as compensation a portion of the fee earned by the primary adviser. The fee earned by the primary adviser may be paid in the form of a base management fee as a percentage of a fund's or account's net asset value.

Other Fees at the Asset Level:

The Firm may invest your account in pooled investment vehicles that themselves bear advisory fees and operational expenses such as transfer agent, distribution, shareholder servicing, networking, and recordkeeping fees. Your account will indirectly bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you will bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

Non-U.S. Distribution Services

For the distribution and promotion services the Firm provides in connection with the offer and sale of sponsored or affiliated non-U.S. pooled investment vehicles, the Firm's affiliates responsible for managing such investment vehicles pay the Firm a portion of the management fee paid to them by the investment vehicles in the form of a distribution fee. Additionally, certain employees of our affiliates accept compensation (also referred to as "commissions") for the sale of securities, private funds, mutual funds or other investment products. Accepting compensation for the distribution of shares of pooled investment vehicles gives rise to a conflict of interest in that it may give our Firm and our employees an incentive to recommend investment products based on the compensation we will receive, rather than solely on a client's needs. Additionally, accepting commissions for the sale of securities, private funds, mutual funds or other investment products may give employees of our affiliates an incentive to recommend investment products based on the compensation they will receive, rather than solely on a client's investment needs.

Item 6. Performance Fees and Side-by-Side Management

Advisers are subject to certain fiduciary standards under federal law and owe clients an affirmative duty of utmost good faith to act solely in the best interests of the client and to make full and fair disclosure of all material facts, particularly where the adviser's interests may conflict with the client's best interest. In this section, we describe our performance-based fee arrangements and our side-by-side management activities and the inherent conflicts in such arrangements.

We may enter into performance-based fee arrangements with certain of our clients and for certain of the portfolios as permitted by applicable law. These arrangements provide for an asset-based management fee based on the market value of the client account or portfolio at specified month or quarter ends, plus a performance fee based on the client account's or portfolio's gross or net return in excess of a specified benchmark during a designated period of time. A client with a performance fee arrangement should refer to the client's investment management agreement for details about the performance fee computation.

Performance-based fee arrangements with U.S. clients are only available to qualified clients, in accordance with Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act").

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts/investment products. For example, we may manage separate accounts, managed accounts, and pooled investment vehicles for clients at the same time. Our clients will have a

variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees and our supervised persons. Below we discuss the conflicts that we and our employees and supervised persons may face when engaging in side-by-side management and how we deal with them. When we and our affiliates concurrently manage client accounts/investment products this presents the same conflicts as described below.

Note that we will manage our accounts consistent with applicable law, and we will follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have Trade Allocation Policies and Procedures which are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.

Conflicts of Interest Relating to Performance-Based Fees When Engaging in Side-by-Side Management:

We may manage accounts that are charged a performance-based fee and other accounts that are charged a different type of fee, such as a flat asset-based fee. We have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) may have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, we have an incentive to direct our best investment ideas to client accounts that pay performance-based fees, and to allocate, aggregate or sequence trades in favor of such accounts. We also have an incentive to give accounts with performance-based fees better execution and better brokerage commissions. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.

Conflicts of Interest Relating to Accounts with Different Strategies:

We and our affiliates may manage numerous accounts with a variety of strategies, which may present conflicts of interest. For example, a long position in a security in one client account and a short position in the same security in another client account simultaneously can result in a loss to one client account and the realization of an investment gain in the other client account. Taking concurrent conflicting investment positions in certain derivative instruments can likewise result in a loss to one client and a gain to another. We also may face conflicts of interest when we manage uncovered option strategies and have significant positions in illiquid securities in side-by-side accounts. There may be limited opportunities to divest a client account of illiquid positions. Thus, when multiple client accounts are invested in the same illiquid securities, the manager for such accounts must determine how best to allocate the limited opportunities for divestiture among the accounts. Disposing of such illiquid securities in an account also may reduce the price of the securities thereby adversely affecting the client accounts that are not able

to immediately dispose of the illiquid securities. Please see Item 12 for a discussion of our brokerage practices.

Conflicts of Interest Relating to the Management of Multiple Client Accounts:

We and our affiliates may perform investment advisory services for various clients. We may give advice and take action in the performance of our duties with respect to any of our other clients which may differ from the advice given, or the timing or nature of action taken, with respect to another client. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client, if it is undesirable or impractical to take such action. We may give advice or take action in the performance of our duties with respect to any of our clients which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their clients.

Conflicts of Interest Relating to Investment in Affiliated Accounts:

To the extent permissible under applicable law, we may decide to invest some or all of our temporary investments in money market accounts advised or managed by a BNY Mellon affiliate. In addition, we may invest client accounts in affiliated pooled investment vehicles. Affiliated pooled investment vehicles are those funds or other pooled vehicles that are managed or serviced by an affiliate of the Firm. We have an incentive to allocate investments to these types of affiliated accounts in order to generate additional fees for us or our affiliates. Please see Item 12 for a discussion of our brokerage practices.

Conflicts of Interest Relating to “Proprietary Accounts”:

We and our existing and future employees, our board members, and our affiliates and their employees may from time to time manage and/or invest in products managed by the Firm, including funds or accounts seeded or funded by us or a related person for the purpose of developing new investment strategies and products (“Proprietary Accounts”) in accordance with the guidelines and restrictions of the Firm’s Code of Ethics, as described in Item 11. Such investments may create conflicts of interest. We have an incentive to favor these Proprietary Accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to our Proprietary Accounts and to give them better execution and brokerage commissions than our other client accounts. We have developed policies and procedures to address any conflicts of interest created by such investments. Please see Item 12 for a discussion of our brokerage practices.

Other Conflicts of Interest:

As noted previously, we and our affiliates may manage numerous accounts with a variety of interests. This necessarily creates potential conflicts of interest for us. For example, we or an affiliate may cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, such as when the managers of such accounts have differing views on the operations or activities of the portfolio

company, the targeted returns for the transaction and the timeframe for and method of exiting the investment. Conflicts may also arise in cases where multiple Firm and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire debt obligations of a company while an affiliate's client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we may find that the interests of the debt-holding client accounts and the equity holding client accounts may conflict. If that issuer encounters financial problems, decisions over the terms of the workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). As another example, debt holding accounts may be better served by a liquidation of an issuer in which it could be paid in full, while equity holding accounts might prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As yet another example, holders of an issuer's senior securities may be able to act to direct cash flows away from junior security holders, and both the junior and senior security holders may be Firm client accounts. Any of the foregoing conflicts of interest will be discussed and resolved on a case-by-case basis. Any such discussions will factor in the interests of the relevant parties and applicable laws. Please see Item 10 for more information on our industry affiliations, Item 11 for more information on participation or interest in client transactions, and Item 12 for more information on our brokerage practices.

Item 7. Types of Clients

Type of Clients:

We expect to provide advisory services primarily to institutional investors. Institutional investors may include, without limitation, banks or thrift institutions, corporate pension and profit sharing plans, Taft-Hartley plans, Voluntary Employee Beneficiary Associations ("VEBAs"), trusts, estates, charitable institutions, foundations, endowments, municipalities, insurance companies, state and local governments, separate accounts, U.S. registered investment companies, exchange-traded products, U.S. and "offshore" (non-U.S.) private investment funds, UCITS, other non-U.S. regulated funds, sovereign funds, other investment advisers and other U.S. and international institutions.

Account Requirements:

We generally require clients to execute a written investment management agreement with us, granting us authority to manage their assets. Separate accounts may be subject to minimum account sizes which may vary depending upon the strategy of the account. Separate accounts may also be subject to minimum annual fees; see Item 5 for more information.

We reserve the right to waive the above minimum account size or minimum annual fee requirements.

Investments in private funds or other pooled investment vehicles that we may manage are also subject to minimum investment requirements. Please refer to the offering documents of such funds for more information.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our investment strategies cover a variety of asset classes and span active, alternative, and index approaches. Our business is to provide active portfolio management with innovative investment solutions that offer our clients long-term consistent positive relative or absolute returns by investing in the Asian Capital markets in a controlled risk environment. Each portfolio is highly dependent on the overall investment objectives of the individual clients. However, the basic themes of the strategies we offer are as follows:

Active Strategies

We believe in fundamental research and that prices will ultimately reflect the fundamentals of a company. There are quite a number of drivers of the value of a stock, for instance earnings, cash flow, valuation multiples, business prospects and sector dynamics. Our research is organized to ascertain the fundamental value and to determine an investment strategy for the different markets. Our philosophy is based upon our belief that downside risk control is as important in seeking long-term investment success as research. Our goal is to deliver attractive investment performance by applying our philosophy across Asian financial markets, using both traditional and alternative investment vehicles.

Indexing Strategies

We believe indexing strategies offer a cost-effective method to obtain market exposure. We seek to replicate the performance and characteristics of index benchmarks, before fees and expenses, through a variety of portfolio construction methods.

Investment Strategies – General

Investment strategies that we offer invest in a variety of securities and employ a different number of investment strategies, styles and techniques that involve certain risks. *For the description and summary of material risks involved with each strategy, please refer to the Summary of Material Risks Section below.* Long and short positions in futures, forward contracts, options on futures, exchange-traded options, over the counter options and swaps may be used to hedge, to obtain exposure, to facilitate trading, to provide liquidity for cash flows, to manage interest rate risk, or for other purposes that facilitate meeting the objectives of the strategy. Investing in securities and certain derivatives involves risk of loss that you should be prepared to endure.

Description of Investment Strategies

Active Strategies:

Active Equity Strategies are designed to provide absolute returns or exceed the performance of their respective benchmarks. The strategies pursue security selection within core, value, and growth stocks across large, medium and small companies within the U.S., Asian markets and/or internationally.

Alternative Investments strategies are designed to provide absolute returns. There are a range of different alternative strategies from for instance structured products, long-short funds, macro driven, arbitrage, event driven funds that are designed to provide absolute returns. The alternative strategies that may be implemented vary widely and may allocate across various country, markets, sectors, instruments and securities.

Indexing Strategies:

Equity Indexing Strategies seek to match the performance and characteristics of their respective equity index benchmarks before fees and expenses.

Summary of Material Risks:

Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investing in securities and derivatives involves risk of loss that you should be prepared to bear.

The table below and the section that follows the table sets forth information concerning the material risks involved with each strategy. An “X” in the table indicates that the strategy involves the corresponding risk. An empty box indicates that the strategy does not involve the corresponding risk in a material way. **However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.**

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the “Risk Factors” section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

Risk Type	Active Equity Strategies	Alternative Investments	Equity Indexing Strategies
Allocation risk		X	
Asian market risk	X	X	X
Asian market risk – equities	X	X	X
Asian Emerging market risk	X	X	X
Asset-backed securities risk		X	
Banking industry risk	X	X	X
Clearance and settlement risk	X	X	X
Commodity sector risk		X	

Risk Type	Active Equity Strategies	Alternative Investments	Equity Indexing Strategies
Convertible securities risk	X	X	
Counterparty risk		X	
Country and sector allocation risk	X	X	
Country, industry and market sector risk	X	X	
Derivatives risk	X	X	X
Exchange-traded fund (ETF) risk	X	X	X
Foreign currency risk	X	X	X
Foreign investment risk	X	X	X
Government securities risk	X	X	X
Growth and value stock risk	X	X	X
Growth stock risk	X		
Health care sector risk	X		
Indexing strategy risk			X
IPO risk	X	X	X
Issuer risk	X	X	X
Large cap stock risk	X	X	X
Leverage risk	X	X	
Liquidity risk	X	X	X
Market risk	X	X	X
Market sector risk	X	X	X
Micro-cap company risk	X	X	
Preferred stock risk	X		X

Risk Type	Active Equity Strategies	Alternative Investments	Equity Indexing Strategies
Quantitative model risk		X	X
Real estate sector risk	X	X	X
Short sale risk	X	X	
Small and midsize company risk	X	X	X
Stock investing risk	X	X	X
Stock selection risk	X	X	
Technology company risk	X	X	
Value stock risk	X	X	
Volker Rule risk	X	X	

Not all material risks will be applicable to each strategy. A summary of the material risks included in the chart above are explained below.

Allocation risk. The asset classes in which the strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so the strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt.

Asian market risk. Asian markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in Asian markets are often subject to rapid and large changes in price. In particular, Asian markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses, restrictions on foreign ownership or prohibitions of repatriation of assets, and may have less protection of property rights than more developed countries. The economies of Asian market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets.

Asian market risk – equities. The securities of issuers located in Asian markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature

economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. These securities are often subject to rapid and large changes in price.

Asian emerging market risk. Many Asian economies are characterized by over-extension of credit, frequent currency fluctuations, devaluations and restrictions, rising unemployment, rapid fluctuations in inflation, reliance on exports, and less efficient markets. Currency devaluation in one Asian country can have a significant effect on the entire region. The legal systems in many Asian countries are still developing, making it more difficult to obtain and/or enforce judgments.

Furthermore, increased political and social unrest in some Asian countries could cause economic and market uncertainty throughout the region. The auditing and reporting standards in some Asian emerging market countries may not provide the same degree of shareholder/investor protection or information to investors as those in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liability and consolidation may be treated differently than under the auditing and reporting standards of developed countries.

Asset-backed securities risk. General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the strategy with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Banking industry risk. The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.

Clearance and settlement risk. Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.

Commodity sector risk. Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities. Investments linked to the prices of commodities are considered speculative. Prices of commodities and related contracts may fluctuate significantly over short periods for a variety of factors, including: changes in supply and demand relationships, weather, agriculture, trade, fiscal, monetary and exchange control

programs, disease, pestilence, acts of terrorism, embargoes, tariffs and international economic, political, military and regulatory developments.

Convertible securities risk. Convertible securities may be converted at either a stated price or stated rate into underlying shares of common stock. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer. Although to a lesser extent than with fixed-income securities, the market values of convertible securities tend to decline as interest rates increase. In addition, because of the conversion feature, the market values of convertible securities tend to vary with fluctuations in the market value of the underlying common stock. Although convertible securities are designed to provide for a stable stream of income, they are subject to the risk that their issuers may default on their obligations.

Convertible securities also offer the potential for capital appreciation through the conversion feature, although there can be no assurance of capital appreciation because securities prices fluctuate. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality because of the potential for capital appreciation.

Counterparty risk. The risk that a counterparty in a repurchase agreement or other derivative investment could fail to honor the terms of its agreement.

Country and sector allocation risk. While the portfolio managers use the country and sector weightings of the strategy's benchmark index as a guide in structuring the strategy's portfolio, they may overweight or underweight certain countries or sectors relative to the index. This may cause the strategy's performance to be more or less sensitive to developments affecting those countries or sectors.

Country, industry and market sector risk. The strategy may be overweighted or underweighted, relative to the benchmark index, in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, the strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries depending on such country's representation within the benchmark index.

Derivatives risk. A small investment in derivatives could have a potentially large impact on the strategy's performance. 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 strategy will not correlate with the underlying instruments or the strategy's other investments. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments' terms. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risk. Additionally, some derivatives involve economic leverage, which could increase the volatility of these investments as they may fluctuate in value more than the underlying instrument. See also "Leverage risk."

Exchange-traded fund (ETF) risk. ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of common stocks, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses.

Foreign currency risk. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.

Foreign investment risk. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies.

Government securities risk. Not all obligations of the government's agencies and instrumentalities are backed by the full faith and credit of the government. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security.

Growth and value stock risk. By investing in a mix of growth and value companies, the strategy assumes the risks of both. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns. 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.

Growth stock risk. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks may lack the dividend yield that may cushion stock prices in market downturns.

Health care sector risk. If the strategy's investments are concentrated in the health care and related sectors, the value of your investment will be affected by factors particular to those sectors and may fluctuate more widely than that of a strategy which invests in a broad range of industries. Health care companies are subject to government regulation and approval of their products and services, which can have a significant effect on their market price. The types of products or services produced or provided by these companies may quickly become obsolete. Moreover, liability for products that are later alleged to be harmful or unsafe may be substantial, and may have a significant impact on the health care company's market value and/or share price.

Biotechnology and related companies are affected by patent considerations, intense competition, rapid technology change and obsolescence, and regulatory requirements of various federal and state agencies. In addition, some of these companies are relatively small and have thinly traded securities, may not yet offer products or may offer a single product, and may have persistent losses during a new product's transition from development to production, or erratic revenue patterns. The stock prices of these companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny. Securities of companies within specific health care sectors can perform differently than the overall market. This may be due to changes in such things as the regulatory or competitive environment, or to changes in investor perceptions regarding a sector. Because the strategy may allocate relatively more assets to certain health care sectors than others, the strategy's performance may be more sensitive to developments which affect those sectors emphasized by the strategy.

Indexing strategy risk. The strategy uses an indexing strategy. It does not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between strategy and index performance may be affected by the strategy's expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and sales.

IPO risk. The prices of securities purchased in IPOs can be very volatile. The effect of IPOs on the strategy's performance depends on a variety of factors, including the number of IPOs the strategy invests in relative to the size of the strategy and whether and to what extent a security purchased in an IPO appreciates or depreciates in value. Therefore, IPO investments may magnify the returns of the strategy.

Issuer risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

Large cap stock risk. To the extent the strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.

Leverage risk. The use of leverage, such as engaging in reverse repurchase agreements, lending portfolio securities, entering into futures contracts or forward currency contracts, investing in inverse floaters, entering into short sales, the use of portfolio leverage or margin and engaging in forward commitment transactions, may magnify the strategy's gains or losses. Because many

derivatives have 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. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Trading limits (such as “daily price fluctuation limits” or “speculative position limits”) on futures trading imposed by regulators and exchanges could prevent the prompt liquidation of unfavorable futures positions and result in substantial losses. In addition, the ability to execute futures contract trades at favorable prices if trading volume in such contracts is low may be limited. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Therefore, in some cases, the execution of trades to invest or divest cash flows may be postponed which could adversely affect the withdrawal of assets and/or performance.

Market risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security’s market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Market sector risk. The strategy may significantly overweight or underweight certain companies, industries or market sectors, which may cause the strategy’s performance to be more or less sensitive to developments affecting those companies, industries or sectors.

Micro-cap company risk. Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Small-cap companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources, and may lack management depth. In addition, there may be less public information available about these companies. The shares of Micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the Firm’s ability to sell these securities.

Also, it may take a long time before the value of your investment realizes a gain, if any, on an investment in a Micro-cap company.

Preferred stock risk. Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

Real estate sector risk. If the strategy's investments are concentrated in the securities of companies principally engaged in the real estate sector, the value of your investment will be affected by factors particular to the real estate sector and may fluctuate more widely than that of a strategy which invests in a broader range of industries. The securities of issuers that are principally engaged in the real estate sector may be subject to risks similar to those associated with the direct ownership of real estate. These include: declines in real estate values, defaults by mortgagors or other borrowers and tenants, increases in property taxes and operating expenses, overbuilding, fluctuations in rental income, changes in interest rates, possible lack of availability of mortgage funds or financing, extended vacancies of properties, changes in tax and regulatory requirements (including zoning laws and environmental restrictions), losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, and casualty or condemnation losses. In addition, the performance of the economy in each of the regions and countries in which the real estate owned by a portfolio company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values.

In addition to the risks which are linked to the real estate sector in general, Real Estate Investment Trusts ("REITs") are subject to additional risks. Equity REITs, which invest a majority of their assets directly in real property and derive income primarily from the collection of rents and lease payments, may be affected by changes in the value of the underlying property owned by the trust, while mortgage REITs, which invest the majority of their assets in real estate mortgages and derive income primarily from the collection of interest payments, may be affected by the quality of any credit extended. Further, REITs are highly dependent upon management skill and often are not diversified. REITs also are subject to heavy cash flow dependency and to defaults by borrowers or lessees. In addition, REITs possibly could fail to qualify for favorable tax treatment under applicable U.S. or foreign law and/or to maintain exempt status under the Investment Company Act of 1940. Certain REITs provide for a specified term of existence in their trust documents. Such REITs run the risk of liquidating at an economically disadvantageous time.

Short sale risk. The strategy may make short sales, which involves selling a security it does not own in anticipation that the security's price will decline. Short sales expose the strategy to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the strategy. Short positions in stocks involve more risk than long positions in stocks because the maximum sustainable loss on a stock purchased is limited to the amount paid for the stock plus the transaction costs, whereas there is no maximum attainable price on the shorted stock. In

theory, stocks sold short have unlimited risk. The strategy may not always be able to close out a short position at a particular time or at an acceptable price. The strategy may not always be able to borrow a security the strategy seeks to sell short at a particular time or at an acceptable price. Thus, there is a risk that the strategy may be unable to fully implement its investment strategy due to a lack of available stocks or for some other reason. It is possible that the market value of the securities the strategy holds in long positions will decline at the same time that the market value of the securities the strategy has sold short increases, thereby increasing the strategy's potential volatility.

Small and midsize company risk. Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy's ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy's investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

Stock investing risk. Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company's products or services.

Stock selection risk. Although the strategy seeks to manage risk by broadly diversifying among industries and by maintaining a risk profile generally similar to the relevant index, the strategy is expected to hold fewer securities than the index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.

Technology company risk. The technology sector has been among the most volatile sectors of the stock market. If the strategy's investments are concentrated in the technology sector, its performance can be significantly affected by developments in that sector. Technology companies, especially small-cap technology companies, involve greater risk because their revenue and/or earnings tend to be less predictable (and some companies may be experiencing significant losses) and their share prices tend to be more volatile. Certain technology companies may have limited product lines, markets or financial resources, or may depend on a limited management group. In addition, these companies are strongly affected by worldwide

technological developments, and their products and services may not be economically successful or may quickly become outdated.

Investor perception may play a greater role in determining the day-to-day value of tech stocks than it does in other sectors. Strategy investments made in anticipation of future products and services may decline dramatically in value if the anticipated products or services are delayed or cancelled. The risks associated with technology companies are magnified in the case of small-cap technology companies. The shares of smaller technology companies tend to trade less frequently than those of larger, more established companies, which can have an adverse effect on the pricing of these securities and on the strategy's ability to sell these securities.

Value stock risk. Value stocks involve the risk that they may never reach their expected 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.

Volker Rule risk. If BNY Mellon-controlled entities invest in a private fund and are subsequently required to divest some or all of their investments to meet the 3% Fund Limit (BNY Mellon-controlled entities could be required to limit their aggregate ownership interests in the fund to no more than 3% by the end of the first year of the fund's establishment or July 21, 2014, whichever is the later date) or 3% Aggregate Limit (the aggregate investment in the fund and all "covered funds" by all BNY Mellon-controlled entities could be capped at 3% of BNY Mellon's Tier 1 capital), then this could have ramifications for the fund and its investors. The fund could be forced to sell portfolio holdings to raise cash for liquidations. This could result in the sale of portfolio holdings at inopportune times or at below-market prices. In addition, forced sales of portfolio holdings could increase brokerage and transfer costs and expenses, result in lost investment opportunities and generate tax consequences. However, in the case of any such divestment, the Firm would seek to minimize any adverse impact to the fund.

General risks. Investing in securities and derivatives involves risk of loss that you should be prepared to endure. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure you that our investments of your money will be profitable, and in fact, you could incur substantial losses. Your investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

Please refer to the applicable disclosure and offering documents for further information.

Item 9. Disciplinary Information

Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management in this item.

The Firm is not a defendant in any of the complaints or actions described in the following paragraph.

Several State Attorney General's Offices, the U.S. Attorney's Office for the Southern District of New York and certain other plaintiffs have filed civil complaints against The Bank of New York Mellon (the "Bank") and/or BNY Mellon. BNY Mellon is the ultimate parent company of the Firm and the parent company of the Bank. Certain of these complaints supersede complaints that had been filed by a purported whistleblower under state false claims act statutes. In addition, the Massachusetts Securities Division has filed an administrative complaint against BNY Mellon. These actions allege that the Bank and/or BNY Mellon improperly charged and reported prices for standing instruction foreign exchange ("FX") transactions executed in connection with custody services provided by the Bank. BNY Mellon believes that the claims asserted in the actions are without merit, and reflect a fundamental misunderstanding of the role of custodian banks and the operation of institutional FX markets. BNY Mellon plans to defend itself vigorously on behalf of its shareholders.

Item 10. Other Financial Industry Activities and Affiliations

BNY Mellon is a Global Financial Services Company:

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon's affiliated investment management firms and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We may enter into transactions with unaffiliated counterparties or third party service providers who then use affiliates of the Firm to execute such transactions. These services may include, for example, clearance of trades, purchases or sales of ADRs, or other transactions not contemplated by us. Although one of our affiliates may receive compensation for engaging in these transactions, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty or third party service provider. Further, we will likely be unaware that the affiliate is being used to enter into such transaction.

BNY Mellon and/or its other affiliates may gather data from us about our investment activities, including information about holdings within client portfolios, which is required for regulatory filings to be made by us or BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, legal or risk management purposes, pursuant to policies and procedures of the Firm, BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

BNY Mellon's Status as a Bank Holding Company:

BNY Mellon and its direct and indirect subsidiaries, including the Firm, are subject to certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the “BHCA”), and to regulation and supervision by the Board of Governors of the Federal Reserve System (the “Federal Reserve”). The BHCA generally prohibits BNY Mellon and its direct and indirect subsidiaries in the aggregate to own or control 5% or more of certain U.S. banking institutions without prior approval of the Federal Reserve. The foregoing limits may have an adverse effect on our ability to manage client investment portfolios. For example, depending on the percentage of a U.S. banking institution we and our affiliates (in the aggregate) control at any given time, the limits may (1) restrict our ability to invest in a U.S. banking institution for certain clients and/or (2) require us to sell certain client holdings of a U.S. banking institution at a time when it may be undesirable to take such action.

BNY Mellon Incentive Compensation Plan:

BNY Mellon has adopted an incentive compensation program (“Program”) designed to:

1. Help clients understand and gain access to the full range of products and services offered by BNY Mellon and its subsidiaries; and
2. Expand and develop client relationships.

The Program promotes BNY Mellon’s corporate values of Client Focus, Trust, Teamwork and Outperformance by encouraging the cross-selling of BNY Mellon’s broad array of services and products throughout the organization to better meet a current or prospective client’s full range of needs for financial products and services, and to expand customer relationships. The Program seeks to financially reward (via bonus or referral fee) eligible employees who offer a business lead that results in a sale of certain affiliated products or services to existing clients and prospects. These bonuses and referral fees may be paid to us and our employees for referring business (services or products) to our affiliates, and our affiliates and their employees may receive bonuses and referral fees for referring business to us. The bonuses and referral fees may be based on the number of referrals made and/or the revenue generated by the referral. Certain types of regulated entities, employees and referrals may be ineligible for the Program or subject to restrictions under applicable law or internal procedures governing the earning of such rewards. These referral fees and bonuses may create conflicts of interest for us and our employees because we have an incentive to encourage our clients to engage in transactions with our affiliates, based on the compensation that we will receive for these referrals, rather than our clients’ needs.

Affiliated Placement Agents:

We may employ affiliated “placement agents” to solicit persons to invest in various funds, including funds we may sponsor, as well as our separate account products. The Firm may enter into agreements with these placement agents to pay them commissions or fees for such solicitations. We or our affiliates are solely responsible for the payment of these commissions and fees - they will not be borne by the funds and their investors. We or our affiliates pay these commissions and fees out of our profits, and these payments do not increase the fees paid by the fund’s investors. These financial incentives may cause the placement agents and their employees

and/or salespersons to steer investors toward those funds that will generate higher commissions and fees. Please see Item 14 for more information on the compensation arrangements related to client referrals.

Affiliated Service Providers:

In addition, to the extent permitted by law, placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us, our affiliates or related funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that may provide services and may receive fees from BNY Mellon in connection with such services, which may incentivize such persons to distribute interests in a fund or other BNY Mellon products.

Other Relationships:

BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a fund, or other dealings with a fund, that create incentives for them to promote a fund.

Affiliated Broker-Dealers and Investment Advisers:

We are affiliated with a significant number of advisers and broker-dealers. Please see Form ADV, Part I - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. When we select the broker to effect purchases or sales of securities for client accounts, we may use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation). We may have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to our affiliate.

We have broker selection policies in place that require our selection of a broker-dealer to be consistent with our duties of best execution, and subject to any client and regulatory proscriptions. Please see Item 12 for more information on our broker selection process.

We may be prohibited or limited from effecting transactions for you because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. Please also refer to Item 12, below, for a discussion of trade aggregation issues.

Affiliated Underwriters:

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which may create an incentive for us to purchase these new issue securities, in an effort to provide additional fees to the broker-dealer affiliate.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, so long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

Affiliated Wrap Sponsors:

We may be a participant in various wrap programs sponsored by affiliates, such as Lockwood Advisors, Inc., Pershing LLC, or MBSC Securities Corporation, and non-affiliates. With respect to accounts which are opened through the wrap programs in which the Firm is a portfolio manager, we will utilize the execution services of the wrap program sponsor, or such sponsor's affiliate where it deems it appropriate, consistent with seeking best execution for the client, although it may utilize other brokers where deemed appropriate, which would typically result in commission charges payable by the client in addition to the wrap program fee. Both affiliated and non-affiliated sponsors may obtain advisory, brokerage, clearing, and other wrap program services from affiliates or us, including among others, Pershing LLC, MBSC Securities Corporation and Lockwood Advisors, Inc.

Our relationships with wrap program sponsors may create conflicts of interest for the sponsors and us. A client in a wrap program has access to those investment advisers participating in the program. Wrap program sponsors typically select the investment advisers who participate in the program, and provide advice to clients regarding the selection of an investment adviser from among the advisers participating in the program. If the wrap program sponsor is affiliated with us, the sponsor may have an incentive to give us access to the program and to steer clients toward us, based on the affiliation rather than based on our expertise or performance or the client's needs. However, we expect to be subject to the same selection and review criteria as the other advisers who participate in our affiliates' wrap programs. Likewise, we, in hopes of gaining clients through a wrap program, may have an incentive to execute brokerage transactions through the program sponsor (whether affiliated or unaffiliated), who in turn has the power to recommend us to program participants.

Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading

We have adopted a Code of Ethics that is made up of two parts:

1. BNY Mellon Code of Conduct and Interpretive Guidance (the "BNY Mellon Code"); and
2. BNY Mellon Personal Securities Trading Policy (the "PSTP").

The BNY Mellon Code provides to employees the framework and sets the expectations for business conduct. In addition, it clarifies our responsibilities to clients, suppliers, government officials, competitors and the communities we serve and outlines important legal and ethical issues:

1. Conflicts of Interest: gifts, entertainment and other payments; personal conflicts of interest; fiduciary appointments and bequests; outside affiliations, outside employment and certain outside compensation issues; and disclosure of relationships and transactions;
2. Proper Use and Care of Information and Proper Recordkeeping: proprietary information and intellectual property; data integrity and corporate information; use of e-mail and internet; accurate accounting and internal controls; use of non-public or “inside” information; talking to the media; and document retention;
3. Dealing with Customers, Prospects, Suppliers, and Competitors: business relationships with customers, prospects, suppliers, and competitors; business decisions; exploitation of relationships and use of the company’s name, letterhead or facilities; knowing your customer; and recognizing and reporting illegal, suspicious, or unusual activities;
4. Doing Business With the Government: complying with government contracts, government contracting laws and regulations; integrity in the sales and marketing process; truthful, accurate statements and recordkeeping; safeguarding government information and property; cooperating with government audits and investigations; and meeting employment and labor obligations;
5. Personal Finances: personal investments; personal brokerage accounts; political campaign contributions; contributions to not-for-profit entities; and individual employees’ regulatory requirements; and
6. Compliance with the Law: among other matters illegal or criminal activities; investigations; and protection of company assets.

The PSTP is designed to reinforce our reputation for integrity by avoiding even the appearance of impropriety and to ensure compliance with applicable laws in the conduct of our business. The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities for the Firm. Each of our employees is classified as one of the following:

1. Investment Employee (“IE”): IEs are employees who, as part of their responsibilities, have access to nonpublic information regarding any advisory client’s purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary

Account, or are involved in making securities recommendations to advisory clients or have access to such recommendations before they are public.

2. Access Decision Maker (“ADM”): ADMs (generally portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt and non-investment grade debt securities for mutual funds and other managed accounts) are subject to the most extensive procedures under the PSTP.

PSTP Overview:

1. IEs and ADMs are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership;
2. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest;
3. Preclearance is not required for transactions involving certain exempt securities (such as open-end investment company securities that are not Proprietary Funds or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest;
4. We have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the Preclearance Compliance Officer to determine whether or not to grant trading authorization;
5. The acquisition of any securities in a private placement requires prior written approvals;
6. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (*i.e.*, purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period);
7. With respect to non-BNY Mellon securities purchasing and selling, or selling and purchasing the same or equivalent security within 60 calendar days is discouraged, and any profits must be disgorged;
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund’s disclosure documents;

9. In order to comply with local law and regulations, employees may be subject to additional restrictions, and the Code of Ethics may be subject to additional modifications, subject to applicable U.S. law; and
10. A copy of our Code of Ethics will be provided upon request.

Interest in Client Transactions

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

Principal Transactions:

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. We will not engage in principal transactions.

It is our policy that neither we nor any of our officers or directors shall, as principal, buy securities for itself from, or sell securities it owns to, any client, except as permitted by law. However, we are part of a large diversified financial organization, which includes banks and broker-dealers. As a result, it is possible that a related person other than our officers and directors, may, as principal, purchase securities from, or sell securities to, our clients.

Cross Transactions:

From time to time securities to be sold on behalf of a client may be suitable for purchase by another client. In such instances, if we determine in good faith that the transaction is in the best interest of each client, then we may arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a “cross trade”). Cross trades present conflicts of interest, as there may be an incentive for us to favor one client to the cross trade over the other. For example, if one client account pays performance fees to the Firm, while the other client account pays only asset-based fees, we would have a financial incentive to favor the performance fee paying account in the cross-trade. However, note that cross trades involving U.S. clients are subject to Advisers Act restrictions, and will only be undertaken by us as permitted under applicable law. We do not receive fees or commissions when making these trades.

Transactions in Same Securities:

We or our affiliates may invest in the same securities that we or our affiliates recommend to clients. When we or an affiliate currently holds for our own benefit the same securities as a client, we could be viewed as having a potential conflict of interest. For example, we or our

affiliate could be seen as harming the performance of the client account for our own benefit if we short sell the securities in our own account while holding the same securities long in the client account, causing the market value of the securities to move lower.

Interests in Recommended Securities/Products:

We or our affiliates may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or one of our affiliates buys or sells the same securities for our (or the affiliate's) own account. This practice may give rise to a variety of potential conflicts of interest, particularly with respect to aggregating, allocating and sequencing securities being purchased on both our (or the affiliate's) behalf and our clients' behalf. For example, we could have an incentive to cause a client or clients to participate in an offering because we desire to participate in the offering on our own behalf, and would otherwise be unable to meet the minimum purchase requirements. Likewise, we could have an incentive to cause our clients to participate in an offering to increase our overall allocation of securities in that offering, or to increase our ability to participate in future offerings by the same underwriter or issuer. On the other hand, we could have an incentive to cause our clients to minimize their participation in an offering that has limited availability so that we do not have to share a proportionately greater amount of the offering with the client. Allocations of aggregated trades might likewise raise a potential conflict of interest as we may have an incentive to allocate securities that are expected to increase in value to our self. See Item 12 for a discussion of our brokerage and allocations practices and policies.

Further, a potential conflict of interest could be viewed as arising if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for our self. Our compliance personnel review periodic transaction reports and holdings reports on our accounts to evaluate and assess potential harm caused by trades in our account to client accounts.

On occasion, we may recommend the purchase or sale, or purchase or sell, securities that are issued by our affiliate, BNY Mellon, or underwritten by its affiliate, BNY Mellon Capital Markets, LLC, for portfolios if such recommendation or purchase or sale is in accordance with the portfolio guidelines. In addition, we or a related person may recommend the purchase of securities in certain private funds which we manage and for which we may serve as sole director or managing member. The Firm, its employees, and our related persons may currently invest in certain private funds or collective funds that may also include client assets managed by us, and we and such related persons will receive proportional returns associated with our investment. Additionally, we may receive an investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) may receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads or sales charges.

Item 12. Brokerage Practices

Broker Selection:

We generally have the discretion to determine the broker or brokers through which transactions will be executed for client accounts and the commission rates that will apply. In selecting a broker for each specific transaction, the Firm will use its reasonable judgment to choose the broker most capable of providing the brokerage services necessary to obtain best available price and most favorable execution. The full range and quality of brokerage services available will be considered in making these determinations. We may select brokers on the basis of the quality of such “brokerage services” related to the requirements of the specific transaction. For example, capable floor brokers or traders, competent block trading coverage, quality research, good communications, ability to position, retail distribution and underwriting, use of automation, research contacts, arbitrage skills, administrative ability, or provisions of market information relating to the security. The Firm will continue to make periodic evaluations of the quality of these brokerage services as provided by various firms and to measure their services against the Firm’s own standards of execution. Brokerage services will be obtained only from those firms which meet our standards, maintain a reasonable capital position, and can, in the Firm’s judgment, be expected to reliably and continuously supply these services. We may cause client accounts to pay a broker-dealer executing securities transactions a commission higher than the commission another broker or dealer would have charged for executing that securities transaction, where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services and products provided by such broker-dealer.

Soft Dollars – Safe Harbor:

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor (the “Safe Harbor”) that allows an adviser to use dollars generated from brokerage commissions from client transactions (“soft dollars”) to pay for brokerage and research services and products provided by broker-dealers or third parties. Under the Safe Harbor, a broker or dealer may be selected that provides, along with trade execution services, proprietary or third party brokerage and research services and products. Such services and products may include:

1. models and research databases;
2. company, industry and market analysis;
3. market data;
4. security exchange pricing and news services; and
5. independent or proprietary research.

Our Soft Dollar Program:

We anticipate implementing a soft dollar program with respect to our U.S. clients, which means that we may place securities transactions on behalf of clients through broker-dealers that provide, along with trade execution services, brokerage and research services and products (“Research Services”) as defined in the Safe Harbor. Research Services may include, but are not limited to, analytical systems, research databases, advice as to the value of securities, reports concerning

company, industry, market, asset allocation, economic and political analysis and similar research-oriented information. We expect the use of client commissions to obtain Research Services to benefit all of our clients.

The use of client commissions to obtain Research Services will also benefit us because we will not have to produce or pay for research for which we would otherwise be obligated to pay. Therefore, we will have an incentive to trade through broker-dealers who provide us soft dollars. Further, certain Research Services received may benefit:

1. certain other accounts also under our management;
2. accounts of affiliates managed by our employees who are also employees or officers of such affiliates; or
3. nondiscretionary accounts of affiliates and accounts of affiliates over which we retain investment discretion.

We expect the investment oversight committee to review and approve all products and services paid for with soft dollars at least annually. The investment oversight committee is comprised of representatives from the Firm's Investments, Risk and Compliance departments.

In addition, certain of our employees may execute trades for affiliates that may generate soft dollar credits. Any such soft dollar credits will be used to pay for Research Services that will benefit our affiliate and our affiliate's clients. We do not expect that such Research Services will benefit our clients.

Commissions:

While commission rates are individually negotiable on each trade, we have established commission rate guidelines. Actual commission rates may be higher or lower than indicated by the rate guidelines depending on the particular circumstances of a transaction including, for example, whether or not the underlying security is more or less difficult to trade relative to other securities or the quality of the execution justifies an adjustment to the commission rate or the broker commits capital or sources liquidity. In no case will an order be placed with a broker-dealer if the broker-dealer is not able, in our judgment, to provide best execution for a particular transaction.

Other Brokerage Practices Conflicts of Interest:

In addition to conflicts of interest associated with soft dollars, the following brokerage practices may lead to an actual or potential conflict of interest when selecting broker-dealers to execute client trades:

1. acting on a client's direction to use a particular broker-dealer; and
2. using affiliated broker-dealers; and

3. receiving client referrals from a broker-dealer.

Brokerage for Client Referrals:

We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

Trading Policies; Affiliated Brokers and Approved Broker List:

We maintain an Approved Broker List for various types of transactions from which we select broker-dealers and other counterparties to effect transactions for client accounts. As a general matter, we will not execute transactions through affiliated broker-dealers when we have the discretion to select the broker-dealer (unless restricted by agreement, law or regulation). We have established the investment oversight committee, which is responsible for evaluating our trade management policies and procedures and for making recommendations, when appropriate, to senior management to improve our trading practices and to mitigate conflicts of interests. When evaluating trading policies, procedures and broker-dealer selection, the investment oversight committee may consider relevant factors such as changes in market forces, market fragmentation, liquidity and commission rates. The investment oversight committee meets on a regular basis and consists of appropriate senior professionals from investments, risk and compliance.

Directed Brokerage:

In certain relationships, a client may wish to retain discretion over the broker-dealer or counterparty selection and perhaps the commission rate for the purpose of executing either a portion of the transactions or all of the transactions to be effected by the Firm for such client account. Although we understand that our clients may have a desire to use brokerage commissions to pay consultants or vendors who provide them services or to use a broker-dealer located in a particular state or comply with a policy regarding emerging brokers, as a matter of general policy, we seek to limit the amount of the client directed brokerage. This policy is driven by our belief that these arrangements may result in additional costs to our clients and may adversely affect the performance of a client's account. We believe that the potential benefits derived from any directed brokerage, expense reimbursement or commission recapture program may be offset by one or more of the factors set forth below.

Those clients who direct brokerage should consider the following:

- If a commission rate negotiated by a client with a designated broker-dealer is higher than the commission rate negotiated by us for our other accounts, the client's execution costs may be higher than those of our other clients.
- We may not negotiate brokerage commissions with respect to transactions executed by the designated broker-dealer for the client's account.

- Orders for clients that direct brokerage may be placed separately from and after the completion of orders for non-directed accounts. To the extent that orders are placed after the orders for our other clients, the price of securities purchased or sold for such client accounts may be adversely affected.
- A client that directs brokerage may forego any benefit from savings on execution costs that we could obtain for clients through negotiating volume commission discounts on aggregated transactions.
- As a result of the foregoing, a client that directs brokerage may not receive best execution on transactions effected through the designated broker-dealer.
- As a result of these considerations, directed brokerage accounts may not generate returns equal to those of non-directed accounts.
- In addition, if applicable, conflicts may arise between the client's interest in receiving best execution on transactions effected for the client's account and our interest in receiving client referrals from the designated broker-dealer.

For clients that request us to use a designated broker-dealer subject to our obligation to seek best execution, we will treat the client's request to use the designated broker-dealer or other counterparty to execute securities transactions as a suggestion for the selection of the broker-dealer or other counterparty ("suggested brokerage"). However, there is no guarantee that we will be able to meet client's brokerage selection criteria.

In agreeing to follow a client's directed brokerage instruction, we are relying on the fact that it is the client's responsibility to ensure that all services provided by the designated broker-dealer or other counterparty will solely benefit the client's account and using the designated broker-dealer or other counterparty is in the best interest of the client's account taking into consideration the services provided. Clients have the obligation to comply with any laws and regulations regarding their directed/suggested brokerage arrangements and to disclose any directed brokerage arrangements to any and all other affected persons and account beneficiaries as appropriate.

Trade Allocations; Aggregation of Orders:

We have adopted a policy designed to ensure fair treatment of all portfolios in situations where two or more portfolios participate simultaneously in a buy or sell program involving the same securities. We will generally seek to aggregate orders that are placed concurrently by a portfolio manager(s) for client accounts. (Nonetheless, there are occasions when we will determine not to aggregate orders even when there are orders for the same security and the same benchmark. For example, certain portfolio risk factors (such as when a rebalancing requires special treatment in order to keep factors such as cash and other asset weightings continuously aligned) will affect the decision as to whether or not it is appropriate to block a trade. When a trade is blocked, generally, pro rata allocation of the securities is used to ensure fairness. However, the policy recognizes that no rigid formula will always lead to a fair and reasonable result, and that a degree

of flexibility to adjust to specific circumstances is necessary. Therefore, under certain circumstances, allocation on a basis other than strictly pro rata is permitted if it is believed that such allocation is fair and reasonable to all of the accounts that are involved in the order.

IPOs:

We may enter orders to participate in initial public offerings (“IPOs”). The Firm, in deciding allocation of an IPO among its clients, will generally allocate a partial fill on a pro rata basis. If the allocation to an account is de minimis, the portfolio manager may decide to reallocate to the other participating clients in a fair and reasonable fashion. Any deviation from the pro rata distribution procedure for IPOs must be approved in writing by the Chief Compliance Officer and the portfolio manager’s supervisor or his/her designee.

Item 13. Review of Accounts

Our Portfolio Managers review client accounts continuously to ensure that all accounts are managed in a consistent manner within each strategy, and that we adhere to specific client/portfolio guidelines.

In addition, transaction reports and performance summaries are provided to clients on a monthly or quarterly basis, depending on the client’s preference. These reports generally include all assets held, account holdings and market price, performance and general market conditions. We may also provide periodic reports in custom formats to address the specific needs of clients as facilitated by the Client Services Department. The Firm may also hold periodic conference calls with clients to provide an overview of account performance and general market updates.

Item 14. Client Referrals and Other Compensation

Unaffiliated Solicitors and Placement Agents:

We may hire third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees may provide such placement agents and/or their salespersons with an incentive to favor these sales over the sale of interests of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

Affiliated Solicitors and Placement Agents:

We may pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. Please see the discussion of affiliated placement agents in Item 10, above.

Our ultimate parent, BNY Mellon, has organized its lines of business into two groups: Investment Management and Investment Services (collectively “Groups”). As a member of BNY Mellon Investment Management, we are part of the Investment Management Group. A sales force has been created to focus on developing new customer relationships and developing and coordinating large complex existing customer relationships within those Groups.

In certain circumstances, Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and may be a one-time payment or paid out over a number of years. In addition, our sales representatives and sales representatives of our affiliates within the Investment Management Group are paid for intra-Group referrals to Group counterparts. Those fees are based on the first year’s revenue for the Group counterpart.

Sales of any alternative investment products (such as private funds) may be made through a broker-dealer affiliate. Only registered representatives of such broker-dealer receive compensation for sales of alternative investments.

We may pay a fee to an affiliate (or directly to employees of the affiliate) that has a pre-existing relationship with a new client in the Investment Services Group. The fees may be based on revenues and may provide for a one-time payment or multiple payments over a number of years.

We and our affiliates also participate in the BNY Mellon Incentive Compensation Plan, which presents certain conflicts of interest, all as described in Item 10, above.

Item 15. Custody

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we may be deemed to have “custody” of certain client assets because we have the ability to deduct fees from client custodial accounts and client funds or securities are held by a related person of the Firm.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). However, the Custody Rule contains the following exceptions from the Surprise Exam Requirement:

1. Ability to Deduct Fees: advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement.

The Firm will rely upon this exemption to avoid a surprise audit for certain clients.

2. Related Person & Operational Independence: advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, provided the adviser and the related person are “operationally independent.”

The Firm will rely upon this exemption to avoid a surprise audit for certain clients. We have determined that our operations are independent from those of the related person holding client assets.

3. Pooled Investment Vehicles: advisers deemed to have custody of the assets of clients formed as pooled investment vehicles will not be subject to the Surprise Exam Requirement, provided the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) at the end of the fiscal year.

The Firm will rely upon this exemption to avoid a surprise audit for certain clients.

Separate Account Clients:

You will receive from your bank, broker-dealer or other qualified custodian an account statement, at least quarterly, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.

Item 16. Investment Discretion

We typically will accept discretionary investment authority over client assets, and clients must grant this discretionary authority to us in writing via a contract, power of attorney and/or through an appointment to become the investment adviser of a private fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines for the particular client account.

Clients must deliver their investment guidelines and restrictions to us in writing, and upon our agreement to abide by them, we will adhere to such guidelines and restrictions when making investment decisions.

Item 17. Voting Client Securities

The Firm has adopted policies for voting proxies for client securities which apply to clients who have given us, through the investment advisory agreement, authority to vote proxies on their behalves. The Firm’s proxy voting policy and procedures are intended to give precedence to its

clients' best interests.

Proxy voting is based on research and recommendations provided by internal resources and third party vendors. The Firm will use an independent proxy advisor, Institutional Shareholder Services, Inc. (ISS) (also known as RiskMetrics Group), as an independent party to provide proxy research, guidance and reporting.

In certain instances, a conflict of interest may arise when the Firm votes a proxy. For example, the Firm, or one of its affiliates, may manage an issuer's retirement plan or an employee of the

Firm may have a business relationship that has the potential to affect how the Firm votes a proxy. The Firm believes that by engaging ISS, its adherence to these policies and procedures ensures that proxies will be voted in the best interest of the clients.

With respect to the potential for personal conflicts of interest, BNY Mellon's Code of Conduct requires that all employees make business decisions free from conflicting outside influences. Under this Code, BNY Mellon employees' business decisions are to be based on their duty to BNY Mellon and to their clients, and not driven by any personal interest or gain. All employees are to be alert to any potential for conflict and to identify and eliminate or mitigate any such conflict. Accordingly, Employees with a personal conflict of interest regarding a particular public company or proposal that is being voted upon must recuse themselves from participation in the discussion and decision-making process with respect to that matter.

Item 18. Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. We, however, have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients and have never been the subject of a bankruptcy proceeding.

Item 19. Additional Supplemental Information

Class Actions: Litigation

It is our policy that we do not advise, initiate or take any other action on behalf of our U.S. clients relating to securities held in the clients' accounts managed by us in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). We do not file proofs of claims relating to securities held in the client's account and do not notify the client or the client's custodian of class action settlements or bankruptcies relating in any way to such account. Typically, custodians submit filings in connection with class action settlements and may also handle bankruptcy filings. Each client should consult with its custodian and other service providers to ensure such coverage.