

BNY Mellon Asset Management Japan Limited

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**Form ADV Part 2
(as of March 31, 2014)**

This brochure provides information about the qualifications and business practices of BNY Mellon Asset Management Japan Limited. BNY Mellon Asset Management Japan 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 +81.3.6756.4600. 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 Asset Management Japan Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Summary of Material Changes

BNY Mellon Asset Management Japan Limited initial filing of this brochure was on December 23, 2013. There have been no material changes to this brochure since the initial filing.

Item 3. Table of Contents

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Item 4. Advisory Business

BNY Mellon Asset Management Japan Limited (the “Firm” or “We” or “Us”) is a company incorporated under the laws of Japan. 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 1998 and became licensed with the Financial Services Agency in September 2007.

As a newly U.S. registered investment adviser, we currently do not manage assets of U.S. clients 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 manage UCITS and pension funds offered through financial intermediaries and corporations. In 2013, an equity portfolio management team joined the Firm from another investment adviser and, as part of the transition from the other firm, the portfolio management team continues to manage, on a non-discretionary basis, some assets for which the other firm is the principal investment adviser. It is anticipated that the Firm will manage most of these assets on a discretionary basis in the coming year. We also sponsor pooled investment products outside of the U.S. offered through financial intermediaries. We expect to provide investment advisory services to our clients from our principal business office located in Tokyo. As a result, we currently are and will continue to be registered with the Financial Services Agency and subject to regulation by Japanese regulatory authorities. We also are currently registered with the Central Bank of Ireland.

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 fund 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.

As of March 31, 2014, we managed \$12,020,452,779 on a discretionary basis and \$27,390,206 on a non-discretionary basis.

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.

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.

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.

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts/investment products. For example, we may manage separate 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 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 business is to provide active portfolio management with innovative investment solutions that offer our clients long-term capital growth by investing in the Japanese equity market. Through fundamental research, we aim to add value consistently by identifying market inefficiencies in the Japanese equity market. Our goal is to generate alpha primarily through bottom-up stock selection. While the exact strategy implemented by each portfolio will be highly dependent on the investment objectives of individual clients, our principal investment strategies are generally described below.

Each investment strategy we offer may invest in a variety of securities and employ a number of investment techniques that involve certain risks. 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 a strategy. Investing in securities and certain derivatives involves risk of loss that you should be prepared to bear. For the description and summary of material risks involved with each strategy, please refer to the Summary of Material Risks Section below.

Japan Equity Representative All Cap Strategy

The Japan Equity Representative All Cap Strategy involves investment in a diversified portfolio of all cap Japanese equities traded on one or more of the official stock exchanges in Japan based on fundamental research, with emphasis on individual company analysis with the goal of long-term capital growth. The investment process focuses on identifying companies with qualities such as growth potential, the ability to deliver longer term earnings above market expectations, as well as attractive valuation.

The Strategy aims to achieve its investment objective by investing at least 80% of the net asset value of a portfolio in the equity securities of companies listed, or regularly traded on a recognized exchange in Japan. To the extent they are represented in the Tokyo Stock Price Index (TOPIX) or other benchmark index used by the Strategy, the Strategy may involve investment in collective investment schemes and/or pooled investment vehicles. The Strategy also provides that up to 20% of the net asset value of a portfolio may be allocated to cash or, subject to any reasonable client restrictions, to cash, money market funds or equity index futures for the purposes of cash management.

The Strategy's investments will be diversified across most of the sectors within the TOPIX. As of the date of this brochure, there are 33 sectors in TOPIX such as transportation equipment, information and communication, electrical appliances, pharmaceuticals, real estate, construction and machinery. The Strategy will provide exposure to most of the 33 sectors.

The Strategy's performance will be measured against the TOPIX. As of the date of this brochure, the TOPIX is a capitalization weighted index with over 1700 stocks, from the largest listed companies in Japan to some very small companies.

The Strategy may provide for the use of derivatives, such as forward FX contracts, for hedging, equity index futures for cash management purposes, for the reduction of costs and the generation of additional capital or income with an acceptable low level of risk. Derivatives the returns of which are referenced to the performance of financial indices also may be used to obtain exposure to small cap equities.

Japan Equity Representative Small Cap Strategy

The Japan Equity Small Cap Strategy involves investment in a portfolio of small cap Japanese equities traded on one or more of the official stock exchanges in Japan based on fundamental research, with emphasis on individual company analysis with the goal of long-term capital growth. The investment process focuses on identifying companies with qualities such as growth potential, the ability to deliver longer term earnings above market expectations, as well as attractive valuation.

The Strategy aims to achieve the investment objective by investing at least 80% of the net asset value of a portfolio in the equity securities of small capitalization (stocks which are predominantly below 500 billion Yen) companies listed, or regularly traded on a recognized exchange in Japan. To the extent they are represented in the Tokyo Stock Price Index (TOPIX) or other benchmark index used by the Strategy, the Strategy may involve investment in collective investment schemes and/or pooled investment vehicles. The Strategy also may provide for allocating up to 20% of the net asset value of a portfolio to cash or, subject to any reasonable client restrictions, to cash, money market funds or equity index futures for the purposes of cash management.

The Strategy's investments will be diversified across many of the sectors within the TOPIX. As of the date of this brochure, there are 33 sectors in TOPIX, such as transportation equipment, information and communication, electrical appliances, pharmaceuticals, real estate, construction and machinery. The Strategy will provide exposure to many of the 33 sectors.

The Strategy's performance will be measured against the Russell Nomura Small Cap Index. As of the date of this brochure, the Russell Nomura Small Cap Index represents approximately the smallest 15% of stocks in terms of float-adjusted market capitalization of the Russell Nomura Total Market Index.

The Strategy may provide for the use of derivatives, such as forward FX contracts, for hedging, equity index futures for cash management purposes, for the reduction of costs and the generation of additional capital or income with an acceptable low level of risk. Derivatives the returns of which are referenced to the performance of financial indices also may be used to obtain exposure to small cap equities.

Summary of Material Risks:

This section sets forth information concerning the material risks involved with each strategy. 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.

Liquidity risk. Not all securities or instruments invested in will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. A portfolio may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Financial market crisis. The global financial markets have in recent times been subject to pervasive and fundamental disruptions and dramatic instability. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. However, these underlying causes have led to extensive and unprecedented governmental intervention and regulators in many jurisdictions have implemented or proposed a number of wide-ranging emergency regulatory measures, including restrictions on the short selling of financial and other stocks in many jurisdictions. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and / or substantially eliminated. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ability of any portfolio to implement its investment objective/investment policy. Increased regulation could be materially detrimental to the performance of a portfolio.

Foreign exchange risk. A portfolio may invest in assets that are denominated in currencies that are different than its base currency, e.g., the U.S. dollar. Clients may be exposed to foreign exchange risks. The ability to hedge foreign exchange risks may be affected by limited forward or option markets for the hedging of the base currency against the currency of investment. Where there is a foreign exchange risk exposure for a portfolio, we may, where it is appropriate, hedge the risk. This will be effected at the portfolio level and the margins and premiums payable for such transactions shall not exceed the net asset value of the portfolio. Performance may be strongly influenced by movements in FX rates because currency positions held by a portfolio may not correspond with the securities positions held. Details of any hedging arrangements will be disclosed in the relevant supplement.

Market capitalization risk. The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Recognized exchanges risk. Some of the recognized exchanges in which a portfolio may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a portfolio may liquidate positions to meet redemption requests or other funding requirements.

Exchange control and repatriation risk. It may not be possible for a portfolio to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Portfolios could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

Credit risk. There can be no assurance that issuers of the securities or other instruments in which a portfolio invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. A portfolio will also be exposed to a credit risk in relation to the counterparties with whom it transacts or places margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

Currency Risk. Assets of a portfolio may be denominated in a currency other than the base currency of the portfolio. As a result, changes in the exchange rate between the base currency and the currency of the asset may lead to a depreciation of the value of the portfolio's assets as expressed in the base currency. It may not be possible or practical to hedge against such exchange rate risk. We may, but are not obliged to, mitigate this risk by using financial instruments.

A portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency

exchange contracts eliminate fluctuations in the prices of a portfolio's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by a portfolio may not correspond with the securities positions held.

A portfolio may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any portfolio cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Valuation Risk. A portfolio may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Investment Management Committee in good faith in consultation with the Portfolio Managers as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

Settlement and Credit risks. The trading and settlement practices of some of the stock exchanges or markets on which a portfolio may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realizing investments made by a portfolio. In addition, a portfolio will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. We may instruct the custodian to settle transactions on a delivery free of payment basis where we believe that this form of settlement is appropriate. However, this may result in a loss to an account if a transaction fails to settle and the custodian will not be liable to the account for such a loss if the custodian is acting pursuant to specific proper instructions.

Derivatives risk. The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including

(1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select a portfolio's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management.

Liquidity of futures contracts. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a portfolio from liquidating unfavourable positions.

Forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a portfolio.

Legal risk. The use of OTC derivatives may expose a portfolio to a number of risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations.

Correlation risk. The prices of derivatives may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded derivatives may also be subject to changes in price due to supply and demand factors.

Counterparty risk. A portfolio may have credit exposure to counterparties by virtue of positions in forward exchange rate and other financial or derivative contracts held by the portfolio. To the extent that a counterparty defaults on its obligation and the portfolio is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. A portfolio will also be exposed to credit risk of parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

Absence of regulation; Counterparty default. In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on

recognized exchanges. In addition, many of the protections afforded to participants on some recognized exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a recognized exchange and accordingly the bankruptcy or default of a counterparty with which the portfolio trades OTC options could result in substantial losses to a portfolio. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the portfolio to suffer a loss. To the extent that a counterparty defaults on its obligation and the portfolio is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the portfolio's investment restrictions, including reasonable restrictions imposed by clients. Regardless of the measures the portfolio may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the portfolio will not sustain losses on the transactions as a result.

Borrowing risks. A portfolio may borrow for the account of the portfolio for various reasons, such as facilitating redemptions. Borrowing involves an increased degree of financial risk and may increase the exposure of a portfolio to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a portfolio will be able to borrow on favorable terms, or that the portfolio's indebtedness will be accessible or be able to be refinanced by the portfolio at any time.

Risk factors not exhaustive. The investment risks set out in this brochure do not purport to be exhaustive and potential investors should be aware that an investment in a portfolio may be exposed to risks of an exceptional nature from time to time.

Possible effect of redemptions. Large redemptions in a portfolio might result in the portfolio being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets, which may adversely affect the value of the portfolio.

Volatility of Equity Prices. The portfolios invest in equity securities, which are subject to changes in value that may be attributable to market perception of a particular issuer or to general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than those in other asset classes.

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 private 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 private fund, or other dealings with a private fund, that create incentives for them to promote a private 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. Where 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 adopted broker selection and best execution policies 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.

In addition to the requirements specified above, the Firm has adopted a supplemental personal securities trading policy that prohibits portfolio managers of registered funds from investing in securities.

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”). A cross trade may be effected with or without the assistance of a broker/dealer. 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 pays performance fees to the Firm, while the other client 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. Where a cross trade is effected through a broker/dealer, the broker/dealer may charge an administrative fee.

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 to 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 will consider, among other factors, the credit risk of a broker,

trading cost, including commission charges, execution capability, and operational ability. 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 Dollar Arrangements:

Soft Dollars: The term “soft dollars” is commonly understood to refer to arrangements where an investment adviser uses client brokerage commissions to pay for research or other services used by the investment adviser. Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” that permits investment advisers to enter into soft dollar arrangements if the investment adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided.

As a matter of policy, we do not utilize “soft dollar” arrangements, but do receive research of the type that is customarily provided by brokers or dealers to their institutional customers, which may be useful to us in serving the accounts that we advise. Although our receipt of such research services does not reduce our normal independent research activities, it may enable us to avoid the additional expenses that we might otherwise incur if we were to attempt to independently develop comparable information.

It is possible that some investment advisers whom we appoint as sub-advisers may have a different policy regarding the use of soft dollars.

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

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 an Investment Management 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 Management Committee may consider relevant factors such as changes in market forces, market fragmentation, liquidity and commission rates. The Investment Management 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 do not facilitate client directed brokerage arrangements. 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.

Trade Allocations

The Firm endeavors to allocate securities among its client accounts on a fair and equitable basis over time. In general, investment decisions for each client (or group of clients with similar investment objectives) are made independently from those of other client accounts and are made with specific reference to the individual needs and objectives of each account (or group of accounts).

When we trade in the same security for more than one client account, we will generally aggregate trades or execute simultaneous orders, depending on the circumstances and the best means of advancing our clients' interest.

Contemporaneous client trades in the same security for accounts under the management of the same portfolio manager(s) will generally be aggregated in a single order if client accounts are domiciled in the same country or region, unless one or more of the following exceptions exist: (i) order cut-off times vary among clients; (ii) foreign regulations or foreign market settlement practices prohibit or restrict trade aggregation; (iii) client directs brokerage; and (iv) use of limit orders precludes effective aggregation of trades. Contemporaneous trades for accounts that are not domiciled in the same country or region will generally not be aggregated.

In general, all client accounts that participate in an aggregated transaction will participate on a pro rata basis based on the initial allocation of the trade when it is entered into the Firm's trading system. Adjustments in the number of securities acquired for or sold by a particular client account may be made in order to meet certain requirements or (e.g., to maintain round lots, to fill to specific percentages, or to avoid crossing certain ownership thresholds).

The Firm generally will not aggregate trades under the following circumstances: (i) if aggregation is restricted by a client's instruction to use a particular broker to execute transactions for its account or instructions on other trade-related matters; (ii) if client trades in the same security are for accounts under the management of different portfolio management teams; (iii) if client accounts are domiciled in different countries or regions; or (iv) if the portfolio managers determine simultaneous trades are more beneficial for client accounts.

As an alternative to aggregating orders, contemporaneous client trades in the same security for accounts under the management of the same portfolio manager(s) may be executed in simultaneous orders. With simultaneous orders, orders are routed to the same broker at the same time and the securities are normally allocated pro rata by the broker among the clients participating in the simultaneous trades.

In cases where trades are not aggregated, each portfolio management team will, when reasonably possible and consistent with client mandates, seek to place trades in the same security simultaneously for all its participating clients in order to treat all those clients fairly. However, when one portfolio management team manages several different strategies it will not be possible in some cases to place trades in the same security simultaneously for all of those strategies, because, for example, of differing levels of liquidity within different strategies. The trading desk will transmit client orders to brokers for execution in the order in which those orders are received by the trading desk.

Under certain limited circumstances described below, the Firm may deviate from the standard, pro rata allocation methodologies and employ objective, non-standard allocation methodologies for allocating aggregated trades, including but not limited to a rotation allocation. Such limited circumstances, include the following:

- Partial fill of trade order; actual transaction amount is too small to allocate among original participants;
- Small account; allocation may be adjusted to minimize custodian fees and transaction charges for small account or otherwise improve the efficiency of the transaction;
- Undesirable position size; in certain cases the amount allocated to an account on a pro rata basis may create an undesirably small or undesirably large (e.g., more than [5%]) position, warranting an appropriate adjustment; and
- Common sense adjustments and equitable adjustments that clearly lead to meaningful cost savings or other transactional efficiencies.

The Firm regularly reports to the Firm's Risk and Compliance Committee each instance in which a non-standard allocation method is used, including steps taken to treat all clients fairly. Any non-standard allocation will be undertaken in a manner reasonably designed to result in fair access for all clients over time to trading opportunities, subject to their instructions.

The Firm will periodically review and monitor all aggregated and simultaneous trades, including for any execution differences or performance deviations among client accounts as a result of executing simultaneous trades instead of aggregated block trades.

In the absence of aggregating trades, it may not be possible to acquire a sufficiently large portion of the security, or the Firm may have to pay a higher price for the security. Similarly, clients may not be able to obtain as high a price for, or as large an execution of, an order to sell (including short sales) a particular security when the Firm is acting for more than one account at the same time.

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 upon participation volumes of each fund or account. Orders for IPO shares are generally placed separately with instructions to brokers to allocate such shares pro rata among client accounts placing the orders.

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 to the Portfolio Managers' continuous review of client accounts, our Investment Management Committee meets on a bimonthly basis to consider client investment plans and matters requiring the Investment Management Committee's approval, including, but not limited to, the Firm's Counterparty Selection and Best Execution Policies, rules on investment due diligence, and rules on investment management. The Investment Management Committee generally evaluates brokers, order results and order plans every six months. The Investment Management Committee may also convene an extraordinary meeting of the Committee when an investment matter requires immediate deliberation.

The Investment Management Committee is composed of, among others, one or more Directors, the Head of Investment and Product Design, the General Manager of the Investment Management Department, the General Manager of the Operations Department, the General Manager of the Compliance Department, the General Manager of the Risk Management Department, and the Lead Manager of the fund or account that is the subject of the meeting, or their duly appointed delegates.

We provide our clients with written transaction reports and performance summaries 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

We accept and exercise voting authority to vote client securities. We have established written policies and procedures (collectively, “Proxy Voting Policy”) that seek to ensure that we exercise voting rights on behalf of our clients efficiently and in our clients’ best interests.

When voting proxies for client accounts, our primary objective is to act in the best interest of our clients. If we accept proxy voting authority from a client, we will dutifully analyze the issues involved with all shareholder votes relating to securities held in the client’s account. We will not be obliged to vote a client proxy if we reasonably determine that the cost of voting such securities would exceed the expected benefit to our client.

We will generally vote client proxies in accordance with our Proxy Voting Policy and will generally vote in the same manner for all clients holding a particular security, subject to the investment objectives and best interests of the client. With respect to matters not covered by our Proxy Voting Policy, we will conduct a detailed examination of the shareholder proposal to determine the best course of action to preserve or further our clients’ interests.

Our Proxy Voting Policy provides that the portfolio manager in charge of a particular strategy, client account or fund, in coordination with the Firm’s Chief Compliance Officer, will be primarily responsible for receiving, processing and voting client proxies. However, we may retain a third-party to assist us in coordinating and voting client proxies. If we do so, the Chief Compliance Officer will monitor the third-party to seek to confirm that all proxies are being properly voted and appropriate records are being retained.

Whether we are exercising voting authority on behalf of our clients or acting pursuant to client instructions, we will vote all proxy proposals in compliance with Japanese and other applicable related laws and regulations.

Conflicts of Interest:

We will not put our own interests ahead of a client’s interests at any time, and will resolve any potential conflicts between our interests and those of our clients that arise in relation to proxy voting of client securities in favor of our clients. The Chief Compliance Officer, in consultation with the Firm’s legal counsel, will be primarily responsible for determining whether a conflict of interest exists in connection with any client proxy vote.

A potential conflict of interest will not necessarily prevent us from voting client proxies. In the event that we perceive a direct or indirect conflict to exist between our interests and those of our clients, we will, in each event, promptly disclose these conflicts to the affected client in writing and obtain the client's prior written consent before exercising any proxy voting authority over the client proxy. If we are unable to contact a client or otherwise obtain written consent by the time the vote of the proxy is due, we will not vote the client proxy. Putative conflicts deemed by the Chief Compliance Officer, in conjunction with senior management and the Firm's legal counsel, to be immaterial to a shareholder vote will not prevent us from voting the related proxies.

Alternatively, we may adopt a predetermined voting policy that dictates how client proxies for which we have voting authority will be voted, regardless of whether or not we have an interest therein. We will disclose any such voting policy to clients in advance of voting a proposal in accordance with such voting policy. We also may adopt a policy requiring us to rely on the recommendations of an independent third-party that is versed on the matters being voted upon.

Clients may receive a copy of the Firm's Proxy Voting Policy and any related procedures or guidelines upon request. Clients may also receive information on the proxy voting history for their accounts for the past five years by contacting the Firm's Chief Compliance Officer during regular business hours, via email or telephone.

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.