

**BNY Mellon Investment Management Cayman Ltd**

**Ugland House  
121 South Church Street  
George Town, Cayman Islands KY1-1104  
Tel: (345) 949-8066  
Fax: (724) 540-6791**

**Form ADV Part 2A  
(as of September 30, 2015)**

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This brochure provides information about the qualifications and business practices of BNY Mellon Investment Management Cayman Ltd. If you have any questions about the contents of this brochure, please contact us at 1-617-722-7703. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

BNY Mellon Investment Management Cayman Ltd is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about BNY Mellon Investment Management Cayman Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2. Material Changes**

Following is a summary of our material changes made since our last filing on August 26, 2015.

We are still deemed to have “custody” of certain client assets because we serve as general partner/managing member/trustee (or similar capacity) of investment funds organized as limited partnership/limited liability company/trust; however, certain client funds or securities are no longer held by The Bank of New York Mellon (a related person of the Firm).

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#### **Item 4. Advisory Business**

BNY Mellon Investment Management Cayman Ltd (the “Manager” or “we” or “us”) is a Cayman Islands Exempted Company with its principal place of business in George Town, Cayman Islands. The Manager and its parent, BNY Mellon Investment Management (Europe) Limited, are wholly-owned subsidiaries of The Bank of New York Mellon Corporation (“BNY Mellon”). BNY Mellon Investment Management (Europe) Limited owns 100% of the Manager.

The Manager was formed in February 2014 and commenced its investment advisory business on or about July 1, 2014. The Manager serves as manager, general partner, managing member or trustee (or other similar capacity) to several pooled investment vehicles, each organized as one of a variety of corporate forms, including limited partnerships, limited liability companies, trusts and group trusts (the “Funds”). The Manager provides investment advisory and fund operation services to the Funds, either through a management agreement or a Fund’s operating document. The Manager entered into a sub-adviser relationship with Walter Scott & Partners Limited (“Walter Scott”), an affiliate of the Manager, and has delegated to Walter Scott discretion to make all investment decisions for the Funds’ portfolios and to perform certain other tasks for the Funds as may be agreed, subject to the overall supervision of the Manager. Accordingly, it is expected that for each Fund, Walter Scott will carry out the day-to-day portfolio management and determine the amount of capital committed to each investment. Over time, the Manager may enter into similar sub-advisory arrangements with other affiliated investment advisers (together with Walter Scott, the “Investment Managers”). As such, the Manager does not make any investment decisions for the Funds. Its investment advisory business consists of the appointment and ongoing supervision of the activities of the Investment Managers. In addition the Manager carries out the key activities of risk management, fund administration and governance as well as the continuing oversight of other service providers.

At this time, the Manager’s only clients will be the Funds, which include Funds that are exempt from registration in the jurisdiction in which they are domiciled. The Funds are intended for sophisticated and institutional investors. Many of the participants in the Funds are global and, as such, the Manager is registered or avails itself to operate under permitted exemptions with a number of regulatory bodies worldwide in the jurisdictions in which the Funds conduct business.

Each of the Funds has an investment objective and a set of investment policies and/or guidelines that it must follow. For this reason, we cannot tailor the investment advisory services we provide to the Funds to meet individual investor needs. In addition, we cannot impose individual investment restrictions on the investment strategies for underlying investors in the Funds.

At this time, each of the Funds employs a ‘long only’ global equity investment strategy. Over time, we plan to work with clients and other BNY Mellon investment advisory affiliates to develop Fund offerings that may deploy a broader range of investment strategies.

As of September 30, 2015, we manage \$7.55 billion on a discretionary basis.

## Item 5. Fees and Compensation

### Management Fees and Compensation.

The Funds we manage charge different management fees, each based on a percentage of a Fund's net asset value. Typically, these fees are calculated based on month end valuations and paid to the Manager by Fund investors either monthly or quarterly in arrears, depending on the Fund. Fund investors generally may select to pay their fees in cash, through redemption of units, or through a combination of cash and through redemption of units. 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 Manager in accordance with the Fund's offering materials. Such waivers and deferrals will cause some Fund investors or groups of investors to pay fees that are different from the basic fee schedules disclosed in a Fund's offering materials.

Basic Fee Schedule (for Funds sub-advised by Walter Scott):

Delaware LLCs (Strategies: Global, EAFE, Emerging Markets) \*

- Flat fee @ 1.00%

\* Fund pays custody and other expenses.

Group Trust (Strategies: Global, EAFE, Emerging Markets) \*\*

- On the first \$50m @ 1.00%
- Next \$25m @ 0.85%
- Thereafter @ 0.60%

Group Trust (Strategy: US) \*\*

- On the first \$100m @ 0.70%
- Thereafter @ 0.50%

\*\* The Manager pays custody fees. Other expenses are paid by the Fund.

The Manager (and not a Fund) will pay the Investment Manager a sub-advisory fee, based on a percentage of a Fund's net asset value.

Certain Funds may charge a performance fee, payable to the Fund's Investment Manager. Typically, these performance fees are based on the portfolio's gross or net return in excess of a specified benchmark during a designated period of time subject typically to performance being positive. There is no high watermark based on assets under management, therefore, the performance fee has to include unrealized gains and losses. Please see the applicable Fund's offering materials for further information regarding the structure of its performance fees.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

The Manager does not receive any performance-based fees, although the Investment Manager to some Funds may charge a performance fee.

“Side-by-side management” refers to our simultaneous management of multiple types of client accounts/investment products. As noted in Item 4, we will manage only pooled investment vehicles, and intend to delegate discretion to Investment Managers.

Note that we manage the Funds consistent with applicable law, and we follow procedures that are reasonably designed to treat the Funds fairly and to prevent any Fund or group of Funds from being systematically favored or disadvantaged.

**Item 7. Types of Clients**

The Manager's clients are the Funds. Investments in the Funds are subject to minimum investment requirements. In the U.S., the minimum account size is generally \$10 million, which requirement may be waived at the discretion of the Manager in accordance with the Fund's offering materials. Please refer to the Funds' offering documents for more information.



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

The Manager provides investment supervisory services to Funds, and has delegated discretion to Investment Managers to make all investment decisions for the Funds. The Manager receives and reviews reports from each Investment Manager with respect to the assets managed by that Investment Manager. Please see Item 4 above for more information about the Manager's advisory business.

**Risks of Increased Government Regulation.** The Funds and the Manager are subject to a variety of governmental regulations in the United States and in other jurisdictions that may result in additional compliance and other burdens and otherwise impact the operation and management of the Funds. The scope and application of such changes (and any future changes) on the Funds and Manager are uncertain and may result in additional legislative or regulatory action. Accordingly, the costs of operating in the financial services industry are likely to increase, and there will be changes in the functioning of financial markets that are likely to affect the Funds and Manager in ways that cannot yet be predicted. It is possible that such changes may impact the ability of the Manager to continue managing the Funds.

### **Descriptions of Fund Investment Risks**

The risks set forth below represent a general summary of the material risks involved with an investment in a Fund. Fund investors should also review the applicable Fund's offering materials and its Investment Manager's Form ADV Part 2 for further information regarding each Fund's Investment Manager's methods of analysis and investment strategies, and material risks associated thereto.

**General risks.** Investing in a Fund involves risk of loss that you should be prepared to bear. We do not guarantee or make any representation that a Investment Manager's investment process will be successful. Past results are not necessarily indicative of future performance and investment results may vary over time. We cannot provide assurance that our investment results will generate a positive return and substantial losses could be incurred. Your investments in a Fund are not akin to a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

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

settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets. Investment Managers' trades are generally settled delivery versus payment (DvP).

**Counterparty risk.** There is a risk that a Fund's or Investment Manager's counterparty could fail to honor the terms of its agreement. The primary counterparty risk mitigation is to trade in countries where DvP settlement prevails. The Funds' Investment Manager maintains an authorized broker list with ongoing and additional checks on the financial health of broker counterparties undertaken and monitored to further protect against counterparty risk.

**Country, industry and market sector risk.** A Fund's strategy may result in an overweight or underweight position relative to the benchmark index, in individual companies, certain countries or market sectors, which in turn may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these companies, countries or sectors. In addition, the strategy may, invest a significant portion (more than 25%) of its total assets in securities of companies located in a particular country regardless of such country's representation within the benchmark index.

**Depository receipts risk.** A Fund may invest in depository receipts ("DRs"). DRs generally represent securities of non-U.S. issuers and may include sponsored or unsponsored DR programs. In an unsponsored facility, the depository issues the DRs without an agreement with the company that issues the underlying securities. Holders of unsponsored DRs generally bear all the costs of such facility, and the depository of an unsponsored facility, frequently, is under no obligation to distribute shareholder communications received from the company that issues the underlying securities or to pass through voting rights to the holders of the DRs with respect to the underlying securities. Therefore, sponsored DR facilities may provide holders with more information about the issuer of the underlying security.

**Emerging markets risk.** A Fund may invest in securities issued by a company located in an emerging market. Emerging markets tend to have less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments which in turn presents the risk of sudden adverse government or regulatory action and even nationalization of businesses, restrictions on foreign ownership or prohibitions of repatriation of assets, and may have less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets. The legal systems in many countries are still developing, making it more difficult to obtain and/or enforce judgments. Furthermore, increased political and social unrest in some countries could

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

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

**Liquidity risk.** When there is little or no active trading market for specific types of securities held by a Fund, it can become more difficult for a Investment Manager to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of an investment in a Fund may fall dramatically.

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

**Performance risk.** Investors often expect growth companies to increase their earnings at a certain rate. If a Fund does not meet its investor's performance expectations this is considered a material risk.

## **Item 9. Disciplinary Information**

The New York State Attorney General's Office, 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 The Bank of New York Mellon Corporation ("BNY Mellon"). BNY Mellon is the parent company of the Bank and BNY Mellon Investment Management Cayman Ltd. 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. The Manager was not a defendant to any of these actions. On March 19, 2015, BNY Mellon announced that it has resolved substantially all of the FX-related actions currently pending against BNY Mellon, resulting in a total of \$714 million in settlement payments.

## **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.

A Fund's Investment Manager may enter into transactions with unaffiliated counterparties or third party service providers who then use affiliates of the Manager 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 Manager, 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 (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve) may restrict the transactions and relationships among BNY Mellon, its affiliates (including us) and our Funds, and may restrict our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon, the Manager and an Investment Manager may, among other things, restrict the Investment Manager's ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of a Fund's investments, and restrict our ability to participate in the management and operations of the companies in which a Fund invests. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related

entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us and a Fund's Investment Manager) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on an Investment Manager's ability to manage client investment portfolios. For example, depending on the percentage of a company we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict an Investment Manager's ability to invest in that company for certain clients and/or (2) require an Investment Manager to sell certain client holdings of that company at a time when it may be undesirable to take such action. Additionally, BNY Mellon may in the future, in its sole discretion and without notice, engage in activities impacting us in order to comply with the BHCA or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts managed by us and our affiliates.

### **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 have affiliated "placement agents," including MBSC Securities Corporation and BNY Mellon Investment Management EMEA Limited, who solicit persons to invest in various private funds,

including our private funds. Certain private funds have entered 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 private 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 private fund's investors. These financial incentives may cause the placement agents and their employees and/or salespersons to steer investors toward those private 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 private 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**

In addition, 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.

Some of our clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms, and we may provide separate advisory services directly or indirectly to employees of such consulting firms. We may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

### **Affiliated Broker-Dealers and Investment Advisers**

We are affiliated with a significant number of advisers and broker/dealers. Please see our Form ADV, Part I - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part I – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm's private funds (if applicable) and such firm's Form ADV, Part I – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

Where an Investment Manager selects the broker to effect purchases or sales of securities for Fund accounts, the Investment Manager may use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation).

A Fund's Investment Manager may have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to its affiliate. However, the Investment Managers have broker selection policies in place that require our selection of a broker-dealer to be consistent with its duties of best execution, and subject to any client and regulatory proscriptions. Please see the Investment Manager's Form ADV for more information on its broker selection process.

### **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, an Investment Manager may purchase on behalf of a Fund 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 Banking Institutions**

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions may provide certain services to us or our Investment Managers, such as recordkeeping, accounting, marketing services, and referrals of clients. Our Investment Managers may provide the affiliated banking institutions with sales and marketing materials regarding their investment management services that may be distributed under the name of certain marketing “umbrella designations” such as BNY Mellon, BNY Mellon Wealth Management, BNY MAM, and BNY AMI.

Certain clients may have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us may provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us and our Investment Managers, our Investment Manager’s ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, may be prohibited.

## **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.
3. Other Employee ("OE"): Our employees are considered OEs if they are not an IE or ADM.

#### 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 The Bank of New York Mellon Corporation (“BNYMC”) 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 BNYMC securities within any 60 calendar day period);
7. With respect to non-BNYMC 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; and
9. A copy of our Code of Ethics will be provided upon request.

### **Interest in Client Transactions**

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

#### Principal Transactions

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account.

#### Cross Transactions

Neither the Manager nor the Funds’ Investment Manager engage in cross transactions. Also, neither the Manager nor the Investment Manager engage in principal transactions with equity securities, however, any foreign exchange trades entered into by the Investment Manager for a Fund would be effected by the Investment Manager as principal. However, the Investment Manager employs a consent process prior to any such trade as permitted under U.S. federal securities laws.

### Transactions in Same Securities

Certain BNY Mellon affiliates may invest in the same securities that the Investment Manager recommends to Funds. When the affiliate currently holds for its own benefit the same securities as a Fund, we could be viewed as having a potential conflict of interest. For example, the affiliate could be seen as harming the performance of the Fund's account for the affiliate's own benefit if it short-sells the securities in its own account while holding the same securities long in the Fund account, causing the market value of the securities to move lower.

### Interests in Recommended Securities/Products

An Investment Manager or another BNY Mellon affiliate may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that the Investment Manager or the affiliate buys or sells the same securities for the Investment Manager's (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 the Investment Manager's (or the affiliate's) behalf and our clients' behalf. For example, the Investment Manager or an affiliate could have an incentive to cause a client or clients to participate in an offering because an Investment Manager or affiliate desires to participate in the offering on its own behalf, and would otherwise be unable to meet the minimum purchase requirements. Likewise, the Investment Manager or an affiliate could have an incentive to cause its clients to participate in an offering to increase its overall allocation of securities in that offering, or to increase its ability to participate in future offerings by the same underwriter or issuer. On the other hand, the Investment Manager or an affiliate could have an incentive to cause its clients to minimize their participation in an offering that has limited availability so that it does not have to share a proportionately greater amount of the offering to the client. Allocations of aggregated trades might likewise raise a potential conflict of interest as an Investment Manager or an affiliate may have an incentive to allocate securities that are expected to increase in value to itself. See the Investment Manager's Form ADV for a discussion of its brokerage and allocations practices and policies.

### **Agency Transactions Involving Affiliated Brokers**

Neither we nor any of our officers or directors, acting as broker or agent, effects securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent, effect securities transactions for our clients for compensation. Please also see Item 10 and Item 12 for additional information relating to affiliate arrangements and with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting. Please also see Schedule D, Section 7A of our Form ADV Part 1 for a list of broker-dealers which are our affiliates.

**Item 12. Brokerage Practices**

The Manager is not involved in the selection of broker-dealers for Funds. Rather, the Manager has entered into a sub-advisory relationship with each Fund's Investment Manager, and will delegate to the Investment Manager discretion to make all investment decisions and certain other matters, including the selection of brokers and dealers. Any such delegation to the Investment Manager, however, is subject to the overall supervision of the Manager.

The Investment Manager selects brokers for its securities transactions based on a number of factors. Please see the Investment Manager's Form ADV for more information.

**Item 13. Review of Accounts**

The Manager's only investment advisory clients are the Funds. The Manager will make available the books and records of the Funds as to the extent provided in the Funds' operating documents. Generally, the Manager will provide annual audited reports to the investors in Funds, and may receive other reports pursuant to the terms of the applicable offering documents of the Fund. Each year, the Manager will assist the Funds in the preparation of reports setting forth information necessary for the Fund investors to complete their tax returns.

## **Item 14. Client Referrals and Other Compensation**

Unaffiliated Solicitors and Placement Agents. We may hire third parties to solicit new investors for the Funds. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with a Fund will be paid solely by us or an affiliate. Fund investors will not pay fees for these solicitations. These solicitors have an incentive for the investor to invest in a Fund because we or an affiliate 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 Fund 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 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 are deemed to have “custody” of certain client assets because certain client funds or securities are held by the Bank (a related person of the Firm) and we serve as general partner/managing member/trustee (or similar capacity) of investment funds organized as limited partnership/limited liability company/trust.

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 Manager does not have the ability to deduct fees from client accounts.
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 Bank no longer holds client assets for any Funds and we do not rely upon this exemption.
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 advises pooled investment vehicles and intends to cause such pooled investment vehicles to receive and distribute audited financial statements to their investors.

U.S. participants in the Funds: 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**

The Manager has been granted the discretionary authority to manage securities accounts on behalf of the Funds. The Manager has entered into a sub-advisory relationship, and has delegated to each Fund's Investment Manager discretion to make all investment decisions for the Funds' portfolios, subject to the overall supervision of the Manager. See Item 4 above.

**Item 17. Voting Client Securities**

The Manager, through the Investment Manager, provides investment advisory services to the Funds. The Manager has delegated to the Investment Manager discretion to make all investment decisions and certain other tasks for the Funds, including voting client securities. Please see the Investment Manager's Form ADV for more information.

**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. The Manager has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

**Item 19. Requirements for State-Registered Advisers**

This Item is not applicable.