

MBSC Securities Corporation

200 Park Avenue, New York, NY 10166

Form ADV Part 2A Disclosure Statement MBSC Firm Brochure March 31, 2018

This brochure (“Brochure”) provides information about the qualifications and business practices of MBSC Securities Corporation (“MBSC”). If you have any questions about the contents of this Brochure, please contact your program sponsor or us at 1-800-843-5466. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about MBSC and its affiliated investment advisers is also available on the SEC’s website at www.adviserinfo.sec.gov.

Clients of wrap fee programs should also review the wrap fee program Brochure provided by the program sponsor.

For program sponsors and clients of program sponsors that offer the models prepared by MBSC for BNY Mellon Select, this Brochure is provided for informational purposes only. MBSC does not act as an investment adviser or fiduciary to clients of program sponsors that offer the BNY Mellon Select models.

Item 2. Material Changes

We may update this document at any time but are required to promptly send clients a copy of any material changes to our disclosures upon doing so. In addition, we will also deliver an annual summary of all material changes that occur to this Brochure along with an offer to provide you with a current version.

MBSC's last annual update of this Brochure was on March 30, 2017. Since the last annual update, the following changes have occurred that may be considered material: Item 4 ("Advisory Business") has been updated to reflect that Walter Scott & Partners Limited, an affiliated investment adviser, has been added as a Delegated Manager; Item 10 ("Other Financial Industry Activities and Affiliations") has been updated to remove references to the BNY Mellon Incentive Compensation Plan, which was discontinued; the **Wrap Programs** section under Item 12 ("Brokerage Practices") has been updated to include a discussion regarding the circumstances under which we may facilitate trade execution with a non-sponsoring firm.

Item 3. Table of Contents

<u>Item</u>	<u>Page</u>
1- Cover Page	1
2- Material Changes	2
3- Table of Contents	3
4- Advisory Business	4
5- Fees and Compensation	7
6- Performance-Based Fees and Side-by-Side Management	9
7- Types of Clients	11
8- Methods of Analysis, Investment Strategies and Risk of Loss	11
9- Disciplinary Information	14
10- Other Financial Industry Activities and Affiliations	14
11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
12- Brokerage Practices	23
13- Review of Accounts	26
14- Client Referrals and Other Compensation	27
15- Custody	27
16- Investment Discretion	27
17- Voting Client Securities	28
18- Financial Information	32

Item 4. Advisory Business

Introduction

MBSC Securities Corporation (“MBSC”, “Firm”, “We”, “Our” or “Us”) is a dually registered investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”) and a broker-dealer under the Securities Exchange Act of 1934. MBSC is a corporation organized under the laws of the State of New York, a direct wholly-owned subsidiary of The Dreyfus Corporation (“Dreyfus”) and an indirect subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”). MBSC has been providing investment advisory services to individuals and institutions since 2001.

We provide investment advisory services primarily to retail investors by sub-advising separate account portfolios (with respect to traditional wrap programs) or by providing model portfolios (with respect to model portfolio wrap programs) to wrap programs sponsored by banks, broker-dealers and other financial intermediaries (“Wrap Programs”). In a traditional Wrap Program, MBSC executes securities transactions in an account in the name of the Wrap Program participant (“Wrap Client(s)”), subject to any investment restrictions specified by the Wrap Client. In model portfolio Wrap Programs, MBSC provides model portfolios to the Wrap Program sponsor, who then executes securities transactions on behalf of the Wrap Clients. We do not have discretionary authority with respect to any client accounts in model portfolio Wrap Programs. MBSC provides portfolio management services to the Wrap Clients pursuant to an agreement with the Wrap Program sponsor. The sponsors of the Wrap Programs may be referred to throughout this Brochure individually as a “Program Sponsor” and collectively as “Program Sponsors.”

MBSC also acts as a model provider for BNY Mellon Select (“Select Program”) where we provide certain model portfolios consisting only of mutual funds advised by Dreyfus (“Dreyfus Funds”) to Program Sponsors for use by the Program Sponsors, at their discretion, with their clients.

MBSC may also give advice to a municipal entity or obligated person regarding the investment of proceeds of a municipal security, and this will be done in our investment adviser capacity. Please see Item 7 of this Brochure for more information on these types of clients.

As described in more detail below, we also offer advisory services not described in this Brochure, in particular as the program sponsor of a wrap fee program. If you would like more information, please consult our Form ADV Part 2A Appendix 1 - Wrap Fee Program Brochure, which is available at www.adviserinfo.sec.gov.

I. Wrap Programs

MBSC provides investment advisory services to Wrap Clients of Program Sponsors of the Wrap Programs. Wrap Clients in Wrap Programs may include individual and institutional investors. With respect to “single contract” Wrap Programs, a Wrap Client enters into an advisory agreement with the

Program Sponsor and the Program Sponsor enters into a sub-advisory agreement with MBSC. As of the date of this Brochure, MBSC's discretionary investment advisory services to Wrap Clients of traditional Wrap Programs are all provided under such single contract arrangements.

In connection with these Wrap Programs, MBSC may engage affiliated or non-affiliated investment managers (each a "Delegated Manager") to perform certain investment advisory services on MBSC's behalf, including providing investment recommendations to MBSC based on a particular investment strategy (the "Strategy (ies)"). Pursuant to MBSC's engagement of a Delegated Manager, MBSC may delegate all or a portion of its investment strategy discretion to a Delegated Manager while retaining trading discretion over the Wrap Client's account to the extent that it is a traditional Wrap Program account. The Delegated Manager is responsible for monitoring, evaluating and adjusting the investment recommendations based on the Delegated Manager's investment research, experience and judgment. Currently, Newton Investment Management (North America) Limited ("Newton") and Walter Scott & Partners Limited ("Walter Scott"), investment managers affiliated with MBSC, have each been engaged by MBSC as a Delegated Manager.

In connection with traditional Wrap Programs, MBSC may perform some or all of the following services:

- providing investment advisory services for Wrap Client accounts;
- facilitating trading for Wrap Client accounts with Program Sponsors and other broker/dealers;
- managing Wrap Client accounts and implementing the Delegated Manager's investment strategy recommendations;
- monitoring the Delegated Manager's strategy guidelines and the Wrap Clients' investment guidelines
- participating in consultations with financial advisors of the Program Sponsors regarding administration of Wrap Client accounts;
- undertaking secondary suitability reviews; and
- facilitating the instructing of corporate actions.

Portfolio transactions for Wrap Clients of traditional Wrap Programs are generally directed by MBSC to the Program Sponsor for execution but may also, in certain circumstances, be directed to a non-sponsoring broker-dealer in an effort to seek best execution. Please see Item 12 of this Brochure for more information about the selection of brokers for Wrap Clients.

In connection with model portfolio Wrap Programs, MBSC may perform the following services:

- facilitating model delivery to the Program Sponsor;
- facilitating processing of corporate actions;
- conducting proxy voting on a Wrap Client's behalf if so directed; and
- filing certain regulatory reports.

MBSC has the right, at its discretion, to decline to provide investment advisory services, on a case-by-case basis, to new Wrap Program clients of Program Sponsors.

In addition to providing investment advisory and related services for Wrap Programs, MBSC may be retained by affiliated and non-affiliated investment managers to provide administrative and support services (“Administrative Services”) in connection with the investment advisory services that such managers have agreed to perform for wrap accounts of financial services firms who sponsor wrap fee investment programs.

Wrap Clients of these Wrap Programs should also review the Brochures of the Delegated Manager and Program Sponsor, which will contain additional information about each of those firm’s investment advisory services.

II. BNY Mellon Select

MBSC acts as a model provider for the Select Program and, as such, provides certain proprietary asset allocation mutual fund model portfolios (“Select Models”) to unaffiliated third party financial services firms (“Select Program Sponsors”) for use with their clients (“Select Clients”). MBSC utilizes the services of an affiliate, BNY Investment Strategy and Solutions Group, LLC (“ISSG”), to provide the asset allocation of the Select Models and select the mutual funds for inclusion in the Select Models, subject to review and approval by MBSC’s Dreyfus Investments Product Review Group (“Product Review Group”). Each of the three Select Models in the Select Program is comprised solely of Dreyfus Funds. The three Select models are:

1. Long-Term Growth
2. Moderate Growth
3. Conservative Growth

For Select Clients participating in the Select Program, the Select Program Sponsor will establish and maintain a Select Client account on behalf of each client through Lockwood Advisors, Inc. (“Lockwood”), an affiliate of MBSC.

Other Accounts

MBSC’s Role as a Program Sponsor to a Wrap Fee Program: Dreyfus Managed Asset Program

MBSC also offers a proprietary wrap program, the Dreyfus Managed Asset ProgramSM (“DMAP”), for which MBSC serves as the program sponsor. DMAP clients may invest in (i) Dreyfus Funds or a combination of Dreyfus Funds and selected mutual funds from third party mutual fund families, (ii) equity investment strategies through one or more separately managed accounts managed by professional investment advisory firms, including MBSC, (iii) municipal bonds through a separately managed account managed by BNY Mellon Asset Management North America Corporation, an affiliate of MBSC, or (iv) a combination of these products. For more detail on DMAP, please refer to MBSC’s Form ADV Part 2A Appendix 1 - Wrap Fee Program Brochure, available at www.adviserinfo.sec.gov.

Assets under Management

As of December 31, 2017, we managed \$1.525 billion for clients, of which \$551.4 million was on a non-discretionary basis and \$973.7 million was on a discretionary basis.

Item 5. Fees and Compensation

Fees for MBSC's investment advisory services are described in the sections below. As a dually-registered investment adviser and broker-dealer, the investment advisory services that we perform are separate and distinct from the brokerage services we perform, and each is governed by different laws and contractual arrangements. While there are certain similarities between the brokerage and advisory services we provide depending on the capacity in which we act, our contractual relationship and legal duties, including the fees we charge to clients, are subject to a number of important differences.

Wrap Programs

Generally, in a Wrap Program, the Program Sponsor charges the Wrap Client an inclusive ("wrap") fee that covers various costs relating to the management of the client's account. This wrap fee typically includes brokerage transaction and clearing charges, custodian fees, investment advisory fees, and any other applicable fees for related services. Typically, the Wrap Client is introduced to the Strategy by the Wrap Client's financial advisor, who is employed by the Program Sponsor. Some Wrap Programs may not charge a wrap fee and may, instead, bill separately for each service provided.

The Program Sponsor's Wrap Clients generally do not pay a fee directly to MBSC and have limited direct contact with MBSC. The Program Sponsor typically pays MBSC a portion of the total managed account program fee paid to the Program Sponsor by the Wrap Client. This typically ranges from 0.30% to 050% annually, depending on the Program Sponsor, the type of account, the level of support provided by MBSC and the size of the Wrap Client's assets in the specific Strategy. In addition, and as described above, MBSC may be retained by affiliated and non-affiliated investment managers to provide administrative and support services in connection with the investment advisory services that such managers have agreed to perform for wrap accounts of financial services firms who sponsor wrap fee programs. In such cases, MBSC is paid a fee by those investment managers for providing such administrative and support services.

In traditional Wrap Programs, trade execution is generally conducted through the Program Sponsor unless trade execution with a non-sponsoring firm may result in more favorable execution for the Wrap Client. Trade execution with a non-sponsoring firm may result in additional fees to the Program Sponsor's Wrap Clients. Please also refer to Item 12 of this Brochure (**Brokerage Practices**) for more information about trade execution with non-sponsoring firms.

Depending on the amount of activity in an account, the fees for a Wrap Program may result in higher costs than a Wrap Client might otherwise incur by establishing separate arrangements for trade execution,

custody, investment advice and other account-related services. Wrap Clients may wish to periodically evaluate whether the total fee for a particular Wrap Program is appropriate to their needs.

Conflicts of Interest Related to Wrap Programs

MBSC has certain representatives who, among other things, market the Strategies advised by the Delegated Managers to Program Sponsors. Program Sponsors may then recommend the Strategies to their Wrap Clients. MBSC may compensate its representatives more for successfully marketing certain Strategies over others. The compensation paid by MBSC to its representatives for marketing the Strategies is made solely by MBSC out of its own assets. These payments present a conflict of interest because the MBSC representatives have an incentive to promote Strategies to Program Sponsors based on the potential for compensation rather than the needs of a Program Sponsor's Wrap Client. This conflict is mitigated by the fact that Program Sponsors, and not MBSC representatives, work with each Wrap Client to determine if a particular Strategy is appropriate for such Wrap Client.

For more information on fees and compensation, please see the Wrap Program Brochure you receive from your Program Sponsor.

BNY Mellon Select

Select Clients may pay an advisory fee to the Select Program Sponsor, and will also pay a proportionate share of the fees and expenses of the Dreyfus Funds in which their account is invested. Select Clients should review the Select Program Sponsor's wrap fee program brochure for more information about fees and compensation, including the Program Sponsor's advisory fees.

Conflicts of Interest Related to BNY Mellon Select

Our parent company, Dreyfus, receives advisory fees for its management of the Dreyfus Funds that are included in the Select Models and Dreyfus may, in turn, pay affiliates sub-advisory fees in connection with providing sub-advisory services to the Dreyfus Funds. As described above, ISSG provides the asset allocation of the Select Models and selects the Dreyfus Funds for inclusion in the Select Models, subject to review and approval by the Product Review Group, which may create a conflict of interest in that such recommendations may favor certain Dreyfus Funds over others, including Dreyfus Funds that pay Dreyfus higher advisory fees. Fees received by Dreyfus for its management of the Dreyfus Funds are disclosed in each Fund's prospectus, which the Select Program Sponsor is responsible for providing to the Select Client. This conflict is mitigated by the Product Review Group's review and approval of the Select Models. Further, MBSC relies on the Select Client, in consultation with the Select Program Sponsor, to make the decision as to whether to choose a Select Model to use in a Select Client's account. Select Clients will work directly with their Select Program Sponsor, who is not affiliated with MBSC or Dreyfus, in determining whether or not the Select Models are appropriate for their needs. Fund fees and expenses are charged directly to assets invested in the Dreyfus Funds and are reflected in each Dreyfus Fund's net asset value. Each Dreyfus Fund's expense ratio (the total amount of fees and expenses charged

by the Fund) is stated in its prospectus. The expense ratio generally reflects the costs incurred by shareholders during the Dreyfus Fund's most recent fiscal reporting period. Current and future expenses may differ from those stated in the prospectus. A Dreyfus Fund may also assess, and not waive, a redemption fee on certain transaction activity in accordance with its prospectus. Please see the Dreyfus Funds' prospectuses for more detailed information regarding fees and expenses. The Select Program Sponsor is responsible for providing the Dreyfus Funds' prospectuses to the Select Client.

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

Performance-based fee arrangements and side-by-side management activities entail inherent conflicts that are described in this Item 6.

We have not entered into performance-based fee arrangements with our clients. However, our Delegated Managers may enter into performance-based fee arrangements with their clients. For more detailed information about such arrangements, including how our Delegated Managers' performance fees are calculated, please see the respective Delegated Manager's firm brochure.

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts/investment products. For example, we or our Delegated Managers may simultaneously manage separate accounts, managed accounts and pooled investment vehicles for clients. Our clients 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 face when engaging in side-by-side management and how we deal with them. Note that certain of our affiliated Delegated Managers' employees are also officers or employees of one or more BNY Mellon affiliates ("dual officers"). These dual officers undertake investment management duties for the affiliates of which they are officers. Please see Item 10 of this Brochure for more information on our dual officer arrangements. When our affiliates concurrently manage client accounts/investment products, and particularly when dual officers are involved, this presents the same conflicts as described below.

Note that we manage our accounts consistent with applicable law, and we and our Delegated Managers 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 and our Delegated Managers have trading policies and procedures which are designed and implemented to help ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities between and among clients. Please see Item 12 of this Brochure (and Item 12 of our Delegated Managers' firm Brochures) for more information.

Conflicts of Interest Relating to Accounts with Different Strategies

We and our Delegated Managers manage numerous accounts with a variety of strategies, which may present conflicts of interest. For example, a long/short position in two client accounts simultaneously can result in a loss to one client based on a decision to take a gain in the other. Taking concurrent conflicting positions in certain derivative instruments can likewise cause a loss to one client and a gain to another.

Conflicts of Interest Relating to the Management of Multiple Client Accounts

We and our Delegated Managers 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 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. We have an incentive to allocate investments to these types of affiliated accounts in order to generate additional fees for us or our affiliates.

Conflicts of Interest Relating to “Proprietary Accounts”

We, our Delegated Managers, and our existing and future employees may from time to time manage and/or invest in products managed by MBSC and its affiliates (“Proprietary Accounts”). Investment by MBSC, our affiliates, or our employees in Proprietary Accounts 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.

Other Conflicts of Interest

As noted previously, we and our affiliates manage numerous accounts with a variety of interests. This necessarily creates potential conflicts of interest for us. For example, we or our Delegated Managers may cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, including 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 MBSC 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). For example, debt holding accounts may be better served by a liquidation of an issuer for which they 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 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. **It is important to note that when we act as your broker-dealer, we do not enter into a fiduciary relationship with you. Absent special circumstances, we are not held to the same legal standards that apply when we have a fiduciary relationship with you, as we do when providing investment advisory services. Our legal obligations to disclose detailed information to you about the nature and scope of our business, personnel, fees, conflicts between our interests and your interests and other matters are more limited than when we have a fiduciary relationship with you.**

Item 7. Types of Clients and Account Requirements

Types of Clients

As discussed in Item 4 (**Advisory Business**) above, we provide an array of investment advisory services to individual investors and other clients of Program Sponsors of Wrap Programs. To the extent that we are providing advice to a municipal entity or obligated person regarding the investment of proceeds of a municipal security, this will be done in our investment adviser capacity.

Please review the wrap fee program brochure from your Program Sponsor for more information on types of clients and account requirements for the Program Sponsor's Wrap Programs. Please see your Select Program Sponsor's wrap fee program brochure for more information on the types of clients and account requirements for the Select Program. Lastly, for information on DMAP, please refer to our Form ADV Part 2A Appendix 1 - Wrap Fee Program Brochure, available at www.adviserinfo.sec.gov.

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

Wrap Programs

Clients should review the brochure of the firm acting as Delegated Manager, which will contain additional information about that firm's methods of analysis, investment strategies and risk of loss. In addition, the investment strategies and associated risks for Wrap Programs are described in the offering materials provided by the Program Sponsor.

BNY Mellon Select

For Select Clients participating in the Select Program, the Select Program Sponsor will establish and maintain a Select Client account on behalf of each client through Lockwood.

The Select Models enable a Select Client to invest in a variety of Dreyfus Funds, all of which are advised by Dreyfus and which may be sub-advised by affiliates of MBSC. ISSG provides the asset allocation of the Select Models and selects the Dreyfus Funds for inclusion in the Select Models, subject to review and approval by the Product Review Group.

MBSC will review the asset allocation of the Select Models periodically, but no less frequently than quarterly, to verify consistency with the stated investment objectives associated with the particular Select Model. MBSC will provide any updates to the asset allocation of the Select Models or the Dreyfus Funds in the Select Models to the Select Program Sponsor for its review and approval before such updated Select Models are implemented into a Select Program. Finally, MBSC will provide the Select Program Sponsor with a list of Dreyfus Funds to be included in the Select Models and will provide the Select Program Sponsor with notice of any updates to such list of Dreyfus Funds.

Select Program Sponsors are responsible for accepting Select Clients into the Select Program and for implementing, to the extent reasonable and feasible, any client directed restrictions. Any requests for the imposition of such restrictions will be reviewed by the Select Program Sponsor on a case by case basis and the Select Program Sponsor, in its sole discretion, may decline to accept a client if it determines that it is unable to implement one or more client directed restrictions.

The Select Models are based on hypothetical scenarios, are intended to be generic, and are not designed for any particular investor or client. MBSC has granted certain Select Program Sponsors a non-exclusive license to use the Select Models for purposes of providing investment management services to their clients in the Select Program Sponsor's advisory programs. The Select Program Sponsor acts as an investment adviser and fiduciary to Select Clients and Select Clients should read their Select Program Sponsor's wrap fee program Brochure carefully for more information about the Select Program available to them.

Risk of Loss

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

Summary of Material Risks

The table below and section that follows sets forth information concerning the material risks involved with each Strategy. An "X" in the table indicates that the Strategy involves the corresponding risk. An empty box indicates that the strategy does not involve the corresponding risk in a material way.

However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.

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

Risk Type	Mutual Funds *	Wrap Program Accounts
General risks	X	X
Clearance and settlement risk	X	X
Credit risk	X	X
Derivatives risk	X	
Emerging market risk – equities	X	X
Emerging market risk – fixed income	X	
Foreign currency risk	X	X
Foreign government obligation risk	X	
Foreign investment risk	X	X
Interest rate risk	X	X
Issuer risk	X	X
Leverage risk	X	
Liquidity risk	X	X
Market risk	X	X
Risk of warrants and rights	X	X

* Reflects risks of investments in Funds used in the Select Program.

General Risks:

Investing in securities involves risk of loss that you should be prepared to bear. 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.

Cybersecurity Risk:

In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or

sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

Additional risks that may be applicable to investments in Dreyfus Funds in the Select Program are available in each Fund's Prospectus or Statement of Additional Information which are available on dreyfus.com or by calling Dreyfus at 1-800-843-5466.

Item 9. Disciplinary Information

Disciplinary Information

From time to time, we and/or BNY Mellon may be involved in regulatory examinations or litigation that arise in the ordinary course of our business. At this time we are not aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

In addition to being registered as an investment adviser under the Advisers Act, MBSC is also registered as a broker-dealer under the Securities Exchange Act of 1934, and is a member of FINRA.

BNY Mellon is a Global Financial Services Company

MBSC is an indirect subsidiary of BNY Mellon. 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, global distribution companies and wealth management business and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

MBSC may enter into transactions with unaffiliated counterparties or third party service providers who then use affiliates of MBSC to execute such transactions. These services may include, for example, clearance of trades, or other transactions not contemplated by MBSC. 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.

BNY Mellon and/or its other affiliates may gather data from MBSC about our investment activities, including information about holdings within client portfolios, which is required for regulatory filings to be made by MBSC 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 help 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 us, are subject to certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve"), and to the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The BHCA and the Dodd-Frank Act (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 clients, and may restrict our investments, transactions and operations.] For example, the BHCA regulations applicable to BNY Mellon and us may, among other things, restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. 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) 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 our ability to manage client investment portfolios. For example, depending on the percentage of that company we and our affiliates (in the aggregate) control at any given time, the limits may (1) restrict our ability to invest in a company for certain clients and/or (2) require us 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.

The Volcker Rule

The Dodd-Frank Act includes provisions that have become known as the “Volcker Rule,” which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise “covered fund”, with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions involving conflicts of interest (e.g., extensions of credit). The final Volcker Rule was jointly adopted by a group of U.S. federal financial regulators in December 2013 and generally must be implemented by BNY Mellon no later than July 21, 2017.

The Volcker Rule generally prohibits certain transactions involving an extension of credit between BNY Mellon and its affiliates, on the one hand, and “covered funds” managed by BNY Mellon and/or its affiliates (including us), on the other hand. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an unintended intraday extension of credit between the securities clearance firm and a “covered fund.” As a result, we may be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restriction could prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution.

Dual Officers and Employees

Certain employees of the Delegated Managers act as officers of The Bank of New York Mellon (the “Bank”), an affiliated New York chartered bank, and as employees of Dreyfus, an affiliated registered investment adviser, for the purpose of performing investment management and related functions. In their capacities as officers of the Bank, these personnel of the Delegated Managers provide discretionary investment advisory services to certain clients and collective investment funds of the Bank and receive a fee for such services. In their capacities as Dreyfus employees, these personnel provide investment advisory services to certain affiliated registered investment companies. For such services, the Delegated Managers receive a portion of the investment management fee received by Dreyfus from each investment company to which it renders advice.

Other Relationships

In addition, BNY Mellon personnel, including certain MBSC employees, may have board, advisory, or other relationships with affiliated and unaffiliated issuers, distributors, consultants and others. To the extent permitted by applicable law, BNY Mellon and its affiliates, including MBSC and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors.

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.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Luminex Trading and Analytics, LLC (“Luminex”), a registered broker-dealer under the Exchange Act, which was formed for the purpose of establishing and operating a “buy-side” owned and controlled electronic execution utility for trading securities (the “Alternative Trading System”). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading System. We and BNY Mellon disclaim that either is an affiliate of Luminex.

Affiliated Broker-Dealers and Investment Advisers

MBSC is affiliated with a significant number of advisers and broker/dealers. Please see our Form ADV, Part 1A - 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 1A – 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 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

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 its affiliate.

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

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. Due to local market rules associated with aggregation of security ownership with our affiliates we may be prevented from owning more of a particular security that we would otherwise want to own for client accounts. Please also refer to Item 12 of our Delegated Managers’ Brochures for a discussion of trade aggregation issues.

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, such as recordkeeping, accounting, marketing services, and referrals of clients. We may

provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing “umbrella designations” such as BNY Mellon, BNY Mellon Wealth Management, BNY IM or BNY Mellon EMEA.

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, our 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, prohibited.

Other Business Activities of MBSC and its Affiliates

As a BNY Mellon company, MBSC may, from time to time, use the research staff, products, services and libraries of its affiliates and may consult with their portfolio managers. MBSC’s affiliates are engaged in a broad range of financial services activities in the United States and abroad, and include banks, trust companies, broker-dealers, investment advisers, stock transfer agents, commodity pool operators, commodity trading advisers, municipal securities dealers and pension consultants, among other businesses. Certain of MBSC’s affiliates serve as investment advisers of and provide other services to mutual funds and other investment companies, including the Dreyfus Funds that are used as options in the Select Program. MBSC’s arrangements with the Dreyfus Funds and their service providers are material to MBSC’s business as an investment adviser. In addition, from time to time, MBSC and certain of its affiliates may refer investment advisory clients or other business to each other, as permitted by applicable law and rules, and these arrangements may become material to MBSC’s investment advisory business.

The client should be aware that MBSC and its affiliated entities maintain various types of financial and other relationships with financial or other institutions, entities and persons.

The Dreyfus Funds in the Select Program are affiliates of MBSC and Dreyfus, with MBSC serving as distributor and Dreyfus serving as investment adviser. MBSC, Dreyfus and certain affiliates will receive fees for the services they provide to the Dreyfus Funds. Receipt of these fees by MBSC, Dreyfus and their affiliates may present a conflict of interest because MBSC may have an incentive to include some Dreyfus Funds in the Select Models over other Dreyfus Funds, in particular where the inclusion of certain Dreyfus Funds results in higher fees being received by MBSC, Dreyfus or their affiliates. These fees are disclosed in each Dreyfus Fund’s prospectus which the Select Program Sponsor is responsible for providing to the Select Client. This conflict is mitigated by the fact that MBSC relies on the Select Client, in consultation with the Select Program Sponsor, to make the decision as to whether to choose a Select Model to use in a Select Client’s account. Select Clients will work directly with their Select Program Sponsor, who is not affiliated with MBSC, in determining whether or not the Select Models are suitable for their needs. By removing itself from the decision making process, MBSC mitigates the conflict of interest as to whether the Select Client elects a Select Model or a different available option.

Services provided by MBSC, Dreyfus and their affiliates for the Dreyfus Funds include investment advice, administration, distribution and transfer agency services. Although it is not possible to determine accurately the amount of time that MBSC devotes to any one of the wide range of financial activities in which it is engaged, MBSC's principal business is the sale of mutual funds advised by its affiliates.

MBSC and its representatives also may buy or sell for themselves securities that they recommend to a client for purchase and sale. They also may give advice and take action in the performance of their duties for a client that differs from advice given, or the timing and nature of action taken, with respect to other clients or for themselves. Personal trading by MBSC employees must be conducted in compliance with all applicable laws and the BNY Mellon Personal Securities Trading Policy that governs BNY Mellon and its subsidiaries, including MBSC.

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

MBSC has 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

- 5) statements and recordkeeping; safeguarding government information and property; cooperating with government audits and investigations; and meeting employment and labor obligations;
- 6) Personal Finances: personal investments; personal brokerage accounts; political campaign contributions; contributions to not-for-profit entities; and individual employees' regulatory requirements; and
- 7) 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) Non-Classified Employee: Our employees are considered non-classified 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 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; and
- 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.

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.

Wrap Program clients should also review the brochures of the Delegated Managers and/or Program Sponsors, as applicable, which will contain additional information about those firms’ investment advisory

services. Select Clients should review the Select Program Sponsor's wrap fee program brochure for more information about that firm's investment advisory services.

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 do 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. 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

We do not engage in cross transactions.

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's 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 its 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 to 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 ourselves. See Item 12 of the Brochure 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 ourselves.

On occasion, we may recommend the purchase or sale of, or purchase or sell, securities that are issued by our parent company, BNY Mellon, for client accounts if such recommendation or purchase or sale is in accordance with the client's guidelines and applicable law.

Investments by Related Persons and Employees

We and our existing and future employees, our board members, and our affiliates and their employees may from time to time invest in products managed by us. We have developed policies and procedures to address any conflicts of interest created by such investment. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. For more information, please see "Interests in Recommended Securities/Products" in this Item 11, and "Dual Officers and Employees" in Item 10 of this Brochure.

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 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

Execution, Clearance, Administrative and Custodial Services for the Select Program

For the Select Program, the delivery of clearing, custody, statements and confirmations will be provided

by Lockwood, through a clearing and custody arrangement with Lockwood's affiliate, Pershing LLC. Broker-dealer services will be provided by the Select Program Sponsor or a financial institution designated by the Select Program Sponsor.

Wrap Programs

For model portfolio Wrap Programs, MBSC provides the model portfolios to the Program Sponsor, who then executes securities transactions on behalf of the Wrap Clients.

For traditional Wrap Programs, MBSC executes client transactions in wrap accounts generally through the Program Sponsor unless executing trades with a non-sponsoring firm may result in more favorable execution to the client. Accordingly, to facilitate obtaining better execution for clients, MBSC may, at its discretion, facilitate trade execution for client transactions with a non-sponsoring firm. We may do so for a variety of reasons, including the type or liquidity of the securities we are buying or selling, or because we are aggregating trades for Wrap Clients of one Program Sponsor with trades for Wrap Clients of other Program Sponsors. The corresponding brokerage commissions and associated transaction costs for such "trading away" activity will not be included in the wrap fee paid by the Wrap Client to the Program Sponsor and instead will represent additional costs borne by the Wrap Client. Wrap Clients should also note that such brokerage commissions and associated transaction costs may be built into the net price of the investment reflected on trade confirmations as opposed to being separately itemized.

In connection with the Strategies for traditional Wrap Programs currently offered by MBSC – Newton Dreyfus International Equity, Newton Dreyfus Global Equity and Dreyfus Global Equity Income ADR – the average dollar-weighted percentage of transactions traded away by MBSC during the twelve months through December 31, 2017 across the Client accounts in each Strategy was 43%, 21% and 0.93%, respectively. With respect to all three Strategies, the additional cost incurred by Clients with respect to each such transaction ranged from 0 – 4 cents per share (or, for commissions charged on a percentage rather than per share basis, approximately A – B 0 – 10 basis points of the value of each trade).

In addition to the fees and expenses described above, certain routine trading costs associated with the day-to-day investment management of a wrap account may, depending upon the provisions of a particular Wrap Program, not be included in a Wrap Client's wrap fee and may therefore represent additional costs to the Wrap Client. In general, these may include (but are not necessarily limited to) the SEC fee imposed on sales of US securities and the transaction taxes imposed by certain non-US countries with respect to the purchase and sale of securities of certain issuers domiciled in those countries. With respect to trading away activity in the International Equity, Global Equity and Global Equity Income ADR GEI Strategies, additional trading-related costs, such as non-US local market transaction taxes and ADR conversion charges, may also apply.

For the reasons described above, with respect to both traditional and model portfolio Wrap Programs, it is not possible for us to aggregate client transactions pursuant to our trade aggregation procedures described below except when we direct transactions in a traditional Wrap Program to a non-sponsoring broker-dealer in an effort to seek best execution. As a result, there may be instances in which one or more Program Sponsors are executing trades for their clients at the same time that we and/or the Delegated Manager(s) are executing trades in the same securities. This could result in varying levels of execution among Wrap Program accounts and between those accounts, on the one hand, and the accounts of MBSC and the Delegated Manager(s) on the other hand. Moreover, this could lead to competing orders for the same securities, potentially harming execution quality. In an effort to mitigate this adverse consequence and help ensure fair and equitable treatment across the respective clients of the Delegated Manager(s), MBSC and the Program Sponsors, MBSC may seek to coordinate trading with the Delegated Manager(s) and the Program Sponsors when the combined order size in that security is anticipated to exceed certain trading volume thresholds.

Other Brokerage Practices

The following describes our policies when we facilitate non-mutual fund client transactions with a broker-dealer other than the Program Sponsor:

Broker Selection: We have the authority to direct securities transactions on behalf of our clients to broker-dealers we select from The Bank of New York Mellon Corporation's Approved Broker List. In doing so, we seek best execution of such transactions. When seeking best execution, we consider the full range and quality of a broker-dealer's services including, among other things, commission rates/trading costs, a broker's trading expertise, reputation and integrity, willingness and ability to commit capital, reliability both in executing and settling trades, fairness in resolving disputes, value provided in a market, execution capability, financial responsibility and responsiveness to the Firm. Please also see the discussion concerning the Volcker Rule and its possible implications concerning our broker-dealer selection practices in Item 10 above.

Soft Dollars: We do not use/receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.

Affiliated Broker/Dealers: We do not direct securities transactions to any affiliated broker-dealer unless directed to by the Program Sponsor. Certain unaffiliated broker-dealers used by us to execute trades may use a broker-dealer who is our affiliate to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use one of our affiliates in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer which we select for execution of client trades clears through one of our affiliates, or the financial arrangement between them.

Affiliated Depository Agent: From time to time, we will use an unaffiliated broker-dealer to convert local shares of a foreign security into an American Depositary Receipt ("ADR") shares or ADR shares into local shares. In certain cases, the unaffiliated broker-dealer may use BNY Mellon as a depository agent.

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

Directed Brokerage: We will participate in directed brokerage if directed by the Program Sponsor and a contractual arrangement is in place. In the event that such direction occurs, we may have limited capability to negotiate commission rates or obtain volume discounts. As a result, the net price paid or received by the directed account may be different than the price paid or received by our other accounts.

Overall, any instruction that we use a certain broker-dealer or restrict trading with a particular broker-dealer may cause a client to pay higher commissions, receive less favorable net prices or investment results, or incur additional custodial or other external administrative charges than would be the case if we were authorized to choose the broker-dealers through which to execute transactions.

Trade Aggregation: We will aggregate certain client transactions (i.e. purchase or sale of securities of the same issuer with the purchase and sale of other client transactions participating in the same security on the same day) when we determine that it is in the best interest of all clients. Each client participating in an aggregated transaction within a trading day will do so at the same average price where possible.

Trade Allocation: Allocation of an aggregated order is prepared prior to the execution of the block trade. If an aggregated order is filled in its entirety, the order must be allocated in accordance with the allocation specified. Aggregated trades are allocated at the average price of the aggregated order.

Generally, if an aggregated order is partially filled, the order will be allocated among the accounts specified on the trade ticket on a pro-rata basis in proportion to the intended allocation. We may, however, if required in our judgment, deviate from pro rata allocation on partially filled orders to help prevent odd lot position sizes or similar outcomes that may not be desirable for clients' accounts.

New Issue Allocation: MBSC does not currently purchase new issues for client accounts. To the extent we seek to purchase new issues in the future, we will adopt policies and procedures designed to help ensure fair and equitable treatment of clients.

Trade Errors: Our policy is to correct trade errors we make when executing securities transactions that impact our client accounts to the extent the total trade error resulted in a loss of \$25 or more.

Item 13. Review of Accounts

Wrap Programs

Clients should review the Wrap Program brochure of the Program Sponsor and the firm brochure of the Delegated Manager, as applicable, which will contain additional information on those firms' policies with respect to the review of accounts.

BNY Mellon Select

Select Program Sponsors are responsible for reviewing the Select Clients' accounts on a post trade basis to verify transactional accuracy and compliance with rebalancing rules. Select Clients should review their Select Program Sponsor's wrap fee program brochure for more information.

Item 14. Client Referrals and Other Compensation

Our ultimate parent company, BNY Mellon, has organized its lines of business into two groups: Investment Management and Investment Services (collectively "Groups"). 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 its affiliates within the Investment Management Group are paid for intra-Group referrals to their counterparts. Those fees are based on the first year's revenue for the new Group.

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

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

MBSC does not have "custody" of client assets in the Wrap Programs or the Select Program for purposes of the Custody Rule.

With respect to DMAP, we are subject to certain provisions of the Custody Rule since our affiliate, Pershing LLC, maintains custody of assets for DMAP clients; please refer to our Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure for more information.

Item 16. Investment Discretion

For accounts where we have investment discretion, we will exercise any such investment discretion that has been granted to us in a manner consistent with the stated investment guidelines and restrictions for the

particular client's account and/or the terms and conditions of our agreement with the Program Sponsor. If we are unable to accommodate any client's guidelines or restrictions, we will inform the Program Sponsor and determine how to proceed in consultation with such Program Sponsor.

MBSC does not have discretionary authority over any client accounts in the Select Program or the model portfolio Wrap Programs.

Item 17. Voting Client Securities

Committee Structure

We participate in BNY Mellon's Proxy Voting and Governance Committee (the "Committee") and exercise the voting rights delegated to us by clients with the guidance and assistance of the Committee. The Committee consists of representatives from our firm and that of certain other fiduciary business units (each, a "Member Firm") affiliated with BNY Mellon. We (along with the other Member Firms) have adopted the Committee's Proxy Voting Policy, related procedures, and voting guidelines (the "Proxy Policies"). The Committee seeks to make proxy voting decisions that are in the best interest of the client and has adopted detailed, pre-determined, written proxy voting guidelines for specific types of proposals and matters commonly submitted to shareholders by U.S. and non-U.S. companies (collectively, the "Voting Guidelines"), which are included in the Proxy Policies. These Voting Guidelines are designed to assist with voting decisions which over time seek to maximize the economic value of the securities of companies held in client accounts (viewed collectively and not individually) as determined in the discretion of the Committee. We believe that this approach is consistent with our fiduciary obligations and with the published positions of applicable regulators with an interest in such matters (e.g., the U.S. Securities and Exchange Commission and the U.S. Department of Labor), and we have adopted the Proxy Policies, including the Voting Guidelines, and agreed that we will vote proxies through the Committee. We do not permit clients to direct us on how to vote in a particular solicitation. However, if a client of ours chooses to retain proxy voting authority or delegate proxy voting authority to an entity other than a Member Firm (whether such retention or delegation applies to all or only a portion of the securities within the client's account), either the client's or such other entity's chosen proxy voting guidelines (and not the Committee's) will apply to those securities.

Voting Philosophy

We recognize that the responsibility for the daily management of a company's operations and strategic planning is entrusted to the company's management team, subject to oversight by the company's board of directors. As a general matter, we invest in companies believed to be led by competent management and, as set forth in the Voting Guidelines, we customarily vote in support of management proposals and consistent with management's recommendations. However, in our role as a fiduciary, we believe that we must express our view on the performance of the directors and officers of the companies in which clients are invested and how these clients' interests as shareholders are being represented. Accordingly, as set forth in the Voting Guidelines, we will vote against those proposals that we believe would negatively

impact the economic value of clients' investments – even if those proposals are supported or recommended by company management.

We seek to vote on proxies of non-U.S. companies through application of the Voting Guidelines. However, corporate governance practices, disclosure requirements and voting operations vary significantly among the various non-U.S. markets in which our clients may invest. In these markets, we may face regulatory, compliance, legal or logistical limits with respect to voting securities held in client accounts which can affect our ability to vote such proxies, as well as the desirability of voting such proxies. Non-U.S. regulatory restrictions or company-specific ownership limits, as well as legal matters related to consolidated groups, may restrict the total percentage of an issuer's voting securities that we can hold for clients and the nature of our voting in such securities. Our ability to vote proxies may also be affected by, among other things: (1) late receipt of meeting notices; (2) requirements to vote proxies in person; (3) restrictions on a foreigner's ability to exercise votes; (4) potential difficulties in translating the proxy; (5) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (6) requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting. Absent an issue that is likely to impact clients' economic interest in a company, we generally will not subject clients to the costs (which may include a loss of liquidity) that could be imposed by these requirements. In these markets, we will weigh the associative costs against the benefit of voting, and may refrain from voting certain non-U.S. securities in instances where the items presented are not likely to have a material impact on shareholder value.

Process

The Committee has retained the services of two independent proxy advisors ("Proxy Advisors") to provide comprehensive research, analysis, and voting recommendations. These services are used most frequently in connection with proposals or matters that may be controversial or require a case-by-case analysis by the Committee in accordance with its Voting Guidelines. The Committee has engaged one of its Proxy Advisors as its proxy voting agent (the "Proxy Agent") to administer the mechanical, non-discretionary elements of proxy voting and reporting for clients. The Committee has directed the Proxy Agent, in that administrative role, to follow the specified Voting Guideline and apply it to each applicable proxy proposal or matter where a shareholder vote is sought. Accordingly, proxy items that can be appropriately categorized and matched either will be voted in accordance with the applicable Voting Guideline or will be referred to the Committee if the Voting Guideline so requires. The Voting Guidelines require referral to the Committee for discussion and vote of all proxy proposals or shareholder voting matters for which the Committee has not yet established a specific Voting Guideline, and generally for those proxy proposals or shareholder voting matters that are contested or similarly controversial (as determined by the Committee in its discretion).

In addition, the Committee has directed the Proxy Agent to refer to it for discussion and vote all proxy proposals of those issuers: (1) where the percentage of their outstanding voting securities held in the

aggregate in accounts actively managed by the Member Firms is deemed significant or (2) that are at or above certain specified market capitalization size (each, as determined by the Committee in its discretion). Generally, when a matter is referred to the Committee, the decision of the Committee will be applied to all accounts for which the Member Firms exercise proxy voting authority, whether the account is actively managed or managed pursuant to quantitative, index or index-like strategies (“Index Strategies”), unless we or another Member Firm determine that the economic interests of a particular account differ and require that a vote be cast differently from the collective vote in order to act in the best interests of such account’s beneficial owners. In all cases, for those clients that have given us authority to vote proxies, the ultimate voting decision and responsibility rests with us.

For items referred to it, the Committee may determine to accept or reject any recommendation based on the Voting Guidelines, research and analysis provided by its Proxy Advisors, or on any independent research and analysis obtained or generated by Member Firm portfolio managers and analysts or the Committee’s Research Group. Because accounts following Index Strategies are passively managed accounts, research from portfolio managers and/or analysts related to an issuer with securities held in these accounts may not be available to the Committee.

Clients may receive a copy of the Voting Guidelines, as well as the Proxy Voting Policy, upon request. Clients may also receive information on the proxy voting history for their managed accounts upon request. Please contact us for more information.

Managing Conflicts

It is the policy of the Committee to make proxy voting decisions that are solely in the best long-term economic interests of clients. The Committee is aware that, from time to time, voting on a particular proposal or with regard to a particular issuer may present a potential for conflict of interest for its Member Firms. For example, potential conflicts of interest may arise when: (1) a public company or a proponent of a proxy proposal has a business relationship with a BNY Mellon affiliated company; and/or (2) an employee, officer or director of BNY Mellon or one of its affiliated companies has a personal interest in the outcome of a particular proxy proposal.

Aware of the potential for conflicts to influence the voting process, the Committee consciously developed the Voting Guidelines and structured the Committee and its practices with several layers of controls that are designed to ensure that the Committee’s voting decisions are not influenced by interests other than those of its Member Firms’ fiduciary clients. For example, the Committee developed its Voting Guidelines with the assistance of internal and external research and recommendations provided by third party vendors but without consideration of any BNY Mellon client relationship factors. The Committee has directed the Proxy Agent to apply the Voting Guidelines to individual proxy items in an objective and consistent manner across client accounts and similarly has directed the Proxy Agent to administer proxy voting for Member Firm clients. When proxies are voted in accordance with these pre-determined Voting Guidelines, it is the Committee’s view that these votes do not present the potential for a material conflict

of interest and no additional safeguards are needed.

For those proposals that are referred to the Committee in accordance with the Voting Guidelines or Committee direction, the Committee votes based upon its principle of seeking to maximize the economic value of the securities held in client accounts. In this context the Committee seeks to address the potential for conflicts presented by such “referred” items through deliberately structuring its membership. The representatives of the Member Firms on the Committee do not include individuals whose primary duties relate to sales, marketing or client services. Rather the Committee consists of senior officers and investment professionals from its Member Firms, and is supported by members of BNY Mellon’s Compliance, Legal and Risk Management Departments, as necessary.

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

Additionally, there are certain instances where an independent fiduciary will be engaged to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law. These instances are considered to be “Primary Conflicted Proxies” and they typically arise due to relationships between proxy issuers or companies and BNY Mellon, a BNY Mellon affiliate, a BNY Mellon executive, or a member of BNY Mellon’s Board of Directors.

We are also subject to the policies and decisions of BNY Mellon’s Proxy Conflicts Committee (the “PCC”). If a situation arises that is not identified as a Primary Conflicted Proxy, but may present an actual, potential or perceived material conflict of interest, or if there is ambiguity as to whether a Primary Conflicted Proxy exists, the PCC shall review the matter, and (in the case of identified conflicts) determine how best to resolve the conflict. If the PCC determines that a conflict exists, possible resolutions may include: (1) voting in accordance with the guidance of an independent fiduciary; (2) voting in proportion to other shareholders (“mirror voting”); (3) erecting informational barriers around, or recusal from the vote decision making process by, the person or persons making voting decisions; and (4) voting in other ways that are consistent with our obligation to vote in our clients’ best interest.

When an independent fiduciary is engaged, the fiduciary either will vote the involved proxy, or provide us with instructions as to how to vote such proxy. In the latter case, we will vote the proxy in accordance with the independent fiduciary’s determination.

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. MBSC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.