

# **MBSC Securities Corporation (“MBSC”)**

200 Park Avenue, New York, N.Y. 10166

## **Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure (as of November 2, 2011)**

**This wrap fee program brochure provides information about the qualifications and business practices of MBSC. If you have any questions about the contents of this brochure, please contact us at 1-800-843-5466 and/or [www.dreyfus.com](http://www.dreyfus.com). 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.**

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

**Additional information about MBSC and its affiliated investment advisers also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Clients of the Customized Series or Municipal Bond Separate Account Series should also review the brochure of the firm acting as Portfolio Manager which accompanies this brochure.***

**Item 2. Material Changes**

Item 9 has been updated in order to disclose recent civil and administrative complaints against The Bank of New York Mellon Corporation concerning its standing instruction foreign exchange services. (The most recent regular annual update of our brochure was dated March 31, 2011).

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## **Item 4. Services, Fees and Compensation**

### **MBSC Securities Corporation**

MBSC Securities Corporation (“MBSC”, “Firm”, “We”, “Our” or “Us”) is registered as an investment adviser under the Investment Advisers Act of 1940 and as a broker-dealer under the Securities Exchange Act of 1934, and is a member of FINRA. MBSC is a wholly owned subsidiary of The Dreyfus Corporation (“Dreyfus”), which is an indirect, wholly owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”).

### **Dreyfus Managed Asset Program™ (“Program”)**

MBSC offers an investment program called the Dreyfus Managed Asset Program (“DMAP” or “Program”), to individuals and other clients (each a “Client”, or collectively, the “Clients”) that may include trusts, estates, charitable organization, individual retirement accounts, corporations, or other business entities.

The Program has five components:

- (1) a Mutual Fund Series (the “Mutual Fund Series”) that enables a Client to invest in a wide array of mutual funds from leading fund families (the “Funds”), including Funds that are managed and administered by Dreyfus and distributed by MBSC (“Dreyfus-affiliated Funds”);
- (2) the Dreyfus Fund Series that enables a Client to invest only in Dreyfus mutual funds. The Client has the option of choosing an actively managed mutual fund portfolio or a mutual fund portfolio comprised of index funds;
- (3) a Customized Investment Series (the “Customized Investment Series”) that enables a client to invest in one or more separately managed accounts from leading portfolio managers (the “Separate Accounts”);
- (4) the Dreyfus Municipal Bond Separate Account Series that enables a client to invest in separately managed accounts managed by Standish Mellon Asset Management Company, LLC, an affiliate of MBSC (“Dreyfus Municipal Bond Separate Accounts”);
- (5) the Combined Series that enables a client to invest in a combination of funds in the Mutual Fund Series, and one or more Separate Accounts in the Customized Investment Series and/or the Dreyfus Municipal Bond Separate Account Series.

Subject to a Client’s meeting certain minimum investment requirements as described below, a Client may open an account in the Program (“Account”) with respect to either the Dreyfus Fund Series, Mutual Fund Series, Customized Investment Series or Dreyfus Municipal Bond Separate Account; alternatively, a

Client may invest in a combination of several Funds and one or more Separate Accounts (the “Combined Series”). The Program includes monitoring of the Funds and automatic rebalancing and performance reporting for Clients in the Mutual Fund Series and the Combined Series, as well as monitoring of Separate Accounts and performance reporting for Clients in the Customized Investment Series.

The Program is comprised of the following elements:

**1. *The Dreyfus Managed Asset Program™ Client Questionnaire and Investment Guidelines***

The Client will complete a confidential Client Questionnaire (the “Questionnaire”), which is designed to help the Client identify and provide MBSC information about the Client’s current investments, financial circumstances, investment objectives, risk tolerance and investment time frame. The investment objectives, restrictions and instructions of the Client, together with the Client Questionnaire completed by the Client, are collectively referred to in this brochure as the “Investment Guidelines.”

The Client agrees to promptly notify MBSC in writing of any change in the Investment Guidelines or the Client’s financial condition that may affect the manner in which the Account assets should be invested under the Program. MBSC will promptly convey this information to the applicable portfolio manager(s). Based on this written notification, MBSC may reevaluate the Client’s suitability for a particular Fund or Separate Account or recommend a change in the investments made under the Program. Any changes to the Investment Guidelines will become effective as soon as practicable following their delivery in writing to MBSC and their acceptance by MBSC and the applicable portfolio manager(s).

**2. *Asset Allocation Plan/Suitability Review/Client Agreements***

For Clients that participate in the Dreyfus Fund Series, the Mutual Fund Series and/or the Combined Series, MBSC, in consultation with the Client and based on the responses to the Questionnaire, will develop an asset allocation plan (“Asset Allocation Plan”). In addition, a Client who participates in the Customized Investment Series or the Dreyfus Municipal Bond Separate Account may request (on a one-time basis only) an Asset Allocation Plan. A Client who participates in the Customized Investment Series or the Dreyfus Municipal Bond Separate Account only may forego receiving an Asset Allocation Plan; in such cases, MBSC will conduct a suitability review of the Client and their Investment Guidelines and, based on this review, will recommend that a portion of the Client’s assets be placed in one or more Separate Accounts.

To participate in the Program, the Client must accept the Asset Allocation Plan (unless the Client participates in the Customized Investment Series or Dreyfus Municipal Bond Series only and declines to receive an Asset Allocation Plan) and instruct MBSC to invest Account assets pursuant to that Plan.

The current asset classes that are available under the Program (“Asset Classes”) include:

- Large Capitalization Equities
- Mid Capitalization Equities
- Small Capitalization Equities
- Taxable Fixed Income
- Tax-Free Fixed Income
- International Equities
- Cash Equivalents

MBSC together with certain of its affiliated companies will develop the asset allocation plan based on the client’s individual investment needs and objectives as described in the Investment Guidelines set forth in the Investment Advisory Agreement accepted by the client. The Asset Allocation Plan will designate a combination of Asset classes into which Account assets will be invested and the percentage of account

assets to be invested in each asset class. The Asset classes that are available through the program and the percentage of Account assets to be invested in each Asset class are subject to change at any time, and the client understands that the Asset Allocation Plan designed for the client may need to be adjusted on occasion to reflect the addition or removal of certain asset classes or portfolio managers from the program.

Pursuant to the Asset Allocation Plan, the Client, in consultation with his, her or our Representative, will choose one or more Funds and/or portfolio managers for each Asset Class that is selected.

Upon opening the Account, the Client will designate a MBSC-affiliated money market Fund for the cash equivalents segment (called the "Sweep Fund"). With respect to the Dreyfus Fund Series, in addition to a client designated money market fund for the cash equivalent segment, MBSC will designate a Core Money Market Fund.

### **Mutual Fund Series**

If a Client, in consultation with his, her or our Representative, chooses to participate in the Mutual Fund Series only, the Client will sign an investment advisory agreement (the "Investment Advisory Agreement") that sets forth the terms and conditions for participation in the Program and that governs the operation of the Account. By signing the Investment Advisory Agreement, the Client instructs MBSC to rebalance the Account on a semi-annual basis based upon balances in the account on the last business day of the quarter (unless the Client and MBSC agree to a different time frame for rebalancing) by liquidating shares of certain Funds and purchasing shares of other Funds in order to bring Account investments back into line with the percentage of Account assets to be invested in each Asset Class as specified in the Asset Allocation Plan (provided, however, that MBSC will not perform any rebalancing trade that would be for less than \$100). For rebalancing purposes, MBSC will only purchase shares of the selected Funds in proportion to the Asset Allocation Plan. Rebalancing involves the purchase and redemption of Fund shares over a period of one or more business days and, therefore, involves certain investment risks and the possible loss of dividend earnings during the rebalancing period. MBSC will not execute investment transactions for the Mutual Fund Series except for purchase, redemption and rebalancing transactions in Fund shares made in accordance with the Client's instructions as set forth in the Investment Advisory Agreement and the Asset Allocation Plan accepted by the Client.

### **Dreyfus Fund Series**

If a Client, in consultation with his, her or our Representative, chooses to participate in the Dreyfus Fund Series only, the Client will sign an investment advisory agreement (the "Investment Advisory Agreement") that sets forth the terms and conditions for participation in the Program and that governs the operation of the Account. By signing the Investment Advisory Agreement, the Client instructs MBSC to rebalance the Account on a semi-annual basis based upon balances in the Account on the last business day of the quarter (unless the Client and MBSC agree to a different time frame for rebalancing) by liquidating shares of certain Funds and purchasing shares of other Funds in order to bring the Account investments back into line with the combination of Asset Classes and the percentage of Account Assets to be invested in each Asset Class as specified in the Asset Allocation Plan. For rebalancing purposes, MBSC only will purchase shares of the selected Funds in proportion to the Asset Allocation Plan and only to the extent that sufficient funds are made available by the Client to do so. The Client authorizes and directs MBSC, in connection with the rebalancing, to effect the trades (whether purchases or sales of

shares of Funds) necessary to accomplish the following process: Redemptions: MBSC will first redeem shares of the Fund with the highest positive variance from Fund Equilibrium.

In turn, MBSC will purchase shares of the Fund with the highest negative variance from Fund Equilibrium. This redemption/purchase process will continue until the Account is rebalanced and the Asset Class is in Fund Equilibrium.

**Customized Investment Series**

If a Client, in consultation with his, her or our Representative, chooses to participate in the Customized Investment Series only, the Client will sign a client services agreement (“Client Services Agreement”) that sets forth the terms and conditions for participation in the Customized Investment Series and governs the operation of the Account. Under the Client Services Agreement, the portfolio manager will direct the investment and reinvestment of the assets in the corresponding Separate Account, in accordance with the information provided by the Client. The portfolio manager will manage the Separate Account on a discretionary basis in accordance with the investment style listed opposite the portfolio manager’s name on the signature page of the Client Services Agreement.

**Combined Series**

If a Client, in consultation with his, her or our Representative, chooses to participate in the Combined Series, the Client will sign a client services and investment advisory agreement (the “Client Services and Investment Advisory Agreement”). The Client Services and Investment Advisory Agreement contemplate that the Client will invest in a combination of Funds in the Mutual Fund Series and one or more Separate Accounts in the Customized Investment Series or the Dreyfus Municipal Bond Separate Account. The Client will consult with MBSC regarding the Funds and portfolio managers that are available in each Asset Class that is included in the Asset Allocation Plan. The Client, in consultation with MBSC, will select at least one Fund corresponding to each Asset Class in the Asset Allocation Plan for the investment of Account assets; however, with respect to one Asset Class only (as agreed to by the Client in consultation with MBSC), the Client will select a portfolio manager (rather than a Fund) to manage a Separate Account in the Customized Investment Series and or the Dreyfus Municipal Bond Separate Account. Rebalancing of the Account will occur on a semi-annual basis, in accordance with the terms set forth in the Client Services and Investment Advisory Agreement.

**Dreyfus Municipal Bond Separate Account Series**

If a Client, in consultation with his, her or its MBSC Representative, chooses to participate in the Dreyfus Municipal Separate Account Series, the Client will sign a Client Services Agreement (the “Client Services Agreement”) that sets forth the terms and conditions for participation in the Dreyfus Municipal Bond Separate Account Series and governs the operation of the account. Under the Client Services Agreement, the Portfolio Manager will direct the investments and reinvestments of the assets on a discretionary basis in accordance with the information provided by the Client and/or Broker.

**In General**

The Program will not accept as a Client a retirement or other employee benefit plan that is subject to The Employee Retirement Income Security Act of 1974 (“ERISA”). The Program will accept Individual Retirement Accounts (“IRAs”) as long as they are not subject to ERISA.

Account assets will be invested without regard to potential tax consequences. MBSC does not provide any tax advice. Purchases and sales of securities may have tax consequences that the Client should discuss with an independent tax professional.

There can be no assurance that the Client’s investment objectives can be achieved by this Program or any other investment strategy.

**Fees and Expenses**

The fee for the services provided pursuant to the Program (“Advisory Fee”) will be calculated and payable quarterly in advance. The Advisory Fee will be based on the value of assets in the Account (as determined by MBSC based on the prices reported by an independent pricing service (where available) on the last business day of each calendar quarter).

**Mutual Fund Series**

The standard Advisory Fee Schedule for the Mutual Fund Series is as follows:

Account Asset Tier	Annual Gross Advisory Fee	Annual Net Advisory Fee
First \$100,000	3.00%	1.25%
Next \$400,000	2.60%	0.85%
Next \$500,000	2.50%	0.75%
Assets Above \$1,000,000	2.40%	0.65%

The foregoing Advisory Fee schedule reflects a credit to the Client of 1.75% per annum of the Client’s assets invested in the Mutual Fund Series (“Credit Amount”). Such credit is provided to offset compensation received by MBSC or its affiliated companies from the Funds or their affiliates for providing various services to the Funds or their affiliates.

As a Fund shareholder, the Client also will bear a proportionate share of each Fund’s fees and expenses, including fees for investment advice, administrative services, distribution and transfer agency services, custody, legal and audit services and other fees and expenses customarily paid by mutual funds to persons who provide services to them. These fees will be in addition to the Advisory Fee, and are described in each Fund’s prospectus or statement of additional information. The Credit Amount will offset any fees paid by a Fund to MBSC or its affiliates, but the Advisory Fee will not be reduced by the amount of fees paid to other service providers to the Funds.

MBSC or an affiliate may provide services to any Fund in the Program and receive fees for those services from the Fund or one of its other service providers. Typically, these fees will be based on the value of a Fund’s total assets or the amount of Account assets invested in a Fund through the Program. MBSC and its affiliates generally receive significantly more fee income from Dreyfus-affiliated Funds than from



third-party Funds. Also, MBSC or an affiliate may receive from all Funds in the Program fees for certain recordkeeping and shareholder communications services in the amount of 0.25% of Account assets invested in the Funds, as well as distribution or “12b-1” fees. The compensation received by MBSC or its affiliates varies from Fund to Fund and is described in general terms in each Fund’s prospectus or statement of additional information. Neither MBSC nor its affiliates will receive any sales commissions or charges, fees, discounts, penalties or adjustments in connection with the purchase, holding, exchange, termination or sale of any shares of MBSC-affiliated Funds. The Client may be able to avoid the Advisory Fee by investing in the Funds directly instead of through the Program. However, the Client may pay sales charges on Funds purchased outside of the Program and may not be eligible to purchase the same share classes that are available through the Program. Certain Clients who began participating in the Program before adoption of the above Advisory Fee schedule may pay lower or higher fees.

**Dreyfus Fund Series**

The standard Advisory Fee Schedule for the Dreyfus Fund Series is as follows:

Account Asset Tier	Model Fee	Advisory Fee	Total Wrap Fee
First \$100,000	0.15%	0.60%	0.75%
Next \$400,000	0.15%	0.30%	0.45%
Next \$500,000	0.15%	0.20%	0.35%
Assets Above 1,000,000	0.15%	0.10%	0.25%

The foregoing Total Wrap Fee schedule reflects a credit to the Client of 1.75% per annum of the Client’s assets invested in the Dreyfus Fund Series. Such credit is provided to offset compensation received by MBSC or its affiliated companies from the Funds or their affiliates for providing various services to the Funds or their affiliates.

As a Fund shareholder, the Client also will bear a proportionate share of each Fund’s fees and expenses, including fees for investment advice, administrative services, distribution and transfer agency services, custody, legal and audit services and other fees and expenses customarily paid by mutual funds to persons who provide services to them. These fees will be in addition to the Total Wrap Fee, and are described in each Fund’s prospectus or statement of additional information. The Credit Amount will offset any fees paid by a Fund to Dreyfus or its affiliates, but the Total Wrap Fee will not be reduced by the amount of fees paid to other service providers to the Funds.

MBSC or an affiliate may provide services to any Fund in the Program and receive fees for those services from the Fund or one of its other service providers. Typically, these fees will be based on the value of a Fund’s total assets or the amount of Account assets invested in a Fund through the Program. MBSC and its affiliates generally receive significantly more fee income from Dreyfus-affiliated Funds than from third-party Funds. Also, MBSC or an affiliate may receive from all Funds in the Program fees for certain recordkeeping and shareholder communications services in the amount of 0.25% of Account assets invested in the Funds, as well as distribution or “12b-1” fees. The compensation received by MBSC or its affiliates varies from Fund to Fund and is described in general terms in each Fund’s prospectus or statement of additional information. Neither MBSC nor its affiliates will receive any sales commissions or charges, fees, discounts, penalties or adjustments in connection with the purchase, holding, exchange, termination or sale of any shares of MBSC-affiliated Funds. The Client maybe able to avoid the Total Wrap Fee by investing in the Funds directly instead of through the Program. However, the Client may pay

sales charges on Funds purchased outside of the Program and may not be eligible to purchase the same share classes that are available through the Program.

MBSC may provide a discount on the Total Wrap Fees paid by a client by considering the aggregate value of two or more DMAP-Dreyfus Fund Series accounts in determining the Account Asset Tier for which fees are applied. Multiple DMAP-Dreyfus Fund Series accounts with your name in the registration and accounts with registrations that include your spouse and your children under age 21 (family members) may be combined for purposes of calculating fees. Fees will be calculated on the aggregate average daily balance of the accounts as if they were in a single account and then charged pro-rata to the individual DMAP-Dreyfus Fund Series accounts. To receive this discount, you must make your financial intermediary aware at the time of purchase that you qualify for this discount.

**A discount of 0.10% will be applied to Model Fee, and therefore to the Annual Net Advisory Fee, if a Client selects Index Funds only for every asset class specified in their asset allocation model.**

### Customized Investment Series

The standard Advisory Fee Schedule for the Customized Investment Series is as follows:

#### **Dreyfus Managed Asset Program: Customized Investment Series Equity Portfolios**

(Advisory Fee Annual Account-Level Pricing)

Equity Account Assets	Annual Advisory Fee
First \$250,000	2.25%
Next \$250,000	2.00%
Next \$500,000	1.75%
Next \$4,000,000	1.50%
All assets above \$5,000,000	1.00%

#### **Dreyfus Municipal Bond Separate Account Series**

(Advisory Fee Annual Account – Level Pricing)

Fixed Income Account Assets	Annual Advisory Fee
Up to \$500,000	0.70%
Next \$500,000	0.65%
Next \$4,000,000	0.60%
All assets above \$5,000,000	0.50%

Advisory Fee applicable to the Customized Investment Series and the Dreyfus Municipal Bond Separate Account includes all fees and charges for the services of the portfolio manager, MBSC and other broker-dealers; however, additional charges may be imposed by MBSC in accordance with the brokerage account customer agreement between MBSC and the Client.

With respect to the Customized Investment Series, the portion of the Advisory Fee that is paid to portfolio managers for providing investment advice to equity and balanced Accounts can range from 0.40% - 0.60% of assets under management. With respect to the Dreyfus Municipal Bond Separate Account, the portion of the Advisory Fee that is paid to portfolio managers for providing investment advice can range from 0.25% - 0.50% of assets under management.

**Combined Series**

The Advisory Fee for the services provided to the Client in the Combined Series shall be calculated separately with respect to Account assets that are held in the Mutual Fund Series and Account assets that are held in the Customized Investment Series and/or the Dreyfus Municipal Bond Separate Account Series, in accordance with the foregoing Advisory Fee schedules (each as applicable).

**Fee Discount for Multiple Accounts**

Members of the same family – defined as husband, wife and children living at the same address – and businesses with the same ownership who own multiple Dreyfus Managed Assets Program Mutual Fund Series Accounts (“Account”) are eligible for a 10% discount on the advisory fee on each Account they own. Clients must request the fee discount by completing a DMAP Mutual Fund Series Discount Linkage Form. The discount will be applied at the beginning of the next quarter after the form is received by MBSC. Members of the same family and businesses with the same ownership who own multiple Equity Customized Investment Series Accounts may link these accounts in order to qualify for a discount on the fee. Likewise, members of the same family and businesses with the same ownership who own multiple Dreyfus Municipal Bond Separate Account Series may link these accounts in order to qualify for a discount on the fee. Clients must request that their Customized Investment Series or Dreyfus Municipal Bond Separate Accounts be linked for fee purposes by completing and signing a Customized Investment Series or Dreyfus Municipal Bond Separate Account Series Discount Linkage Form. The discount can also be applied to a business account owned by a sole proprietor and an individual or joint account owned by the same person. Please note that an Equity Account cannot be linked to a Fixed Income Account for fee purposes. In addition, a Mutual Fund Series Account cannot be linked to a Customized Investment Series or Dreyfus Municipal Bond Separate Account Series for fee purposes.

**Payment of Advisory Fees**

With respect to all programs except the Dreyfus Fund Series, the Advisory Fee will be automatically deducted from the Account. The Advisory Fee is calculated and payable in advance based on the value of Account assets in the Program on the last business day of the previous quarter. The initial Advisory Fee will be calculated based on the value of the initial assets deposited into the Account and will cover the initial quarter (or, with respect to a partial quarter, will be prorated based on the number of days remaining in such quarter). The initial Advisory Fee will be automatically deducted from the Client’s deposited assets on the effective date of the Agreement. If the Agreement is terminated before the last day of a quarter, a prorated portion, based on the number of days remaining in the quarter, of the Advisory Fee paid in advance will be refunded to the Client. All fee deductions from the Account will be made first from any uninvested cash balance and then by redeeming available shares of the Sweep Fund. If sufficient Sweep Fund balances are not available, the Client will instruct MBSC to redeem sufficient shares of funds or securities (if applicable, in the same manner that redemptions are to be made in connection with the rebalancing of the Account) to pay such fee.

With respect to the Dreyfus Fund Series, the Advisory Fee will be automatically deducted from the Account. The Advisory Fee is calculated and payable on or about the first business day of the quarter based on the average value of Account assets in the program over the previous quarter. Fees for a quarter where the Client has not participated for a full quarter (for example, when the Account is opened or closed during a quarter) will be prorated based on the number of actual days the Client was invested in the program. All fee deductions from the Account will be made first from any uninvested cash balance and

then by redeeming available shares of the Core Money Market Fund. If sufficient Core Money Market Fund balances are not available, MBSC will redeem sufficient shares of funds in the same manner that redemptions are to be made in connection with the rebalancing of the Account to pay such fee.

Under certain limited circumstances, the Advisory Fee charged to a Client for his, her or its participation in the Program may be negotiated.

### **Termination**

With respect to a Client's participation in the Dreyfus Fund Series and the Mutual Fund Series, the Investment Advisory Agreement may be terminated (i) by Dreyfus upon not less than 30 days' written notice to the Client, and (ii) by the Client upon written notice to Dreyfus, effective on the actual receipt of such notice by Dreyfus. Upon termination, Dreyfus will place orders to redeem the shares of all Funds held in the Account as promptly as is practicable and will deliver the redemption proceeds to the Client. The aforementioned can results in a taxable event, client should be aware of the tax implications. It will be the Client's responsibility to deliver to Dreyfus written instructions regarding the disposition of the cash proceeds from the redemption of Fund shares. In the event of such termination, the Client acknowledges that it may take longer than three business days to receive the proceeds from the redemption of shares of Funds other than the Sweep Fund.

With respect to a Client's participation in the Customized Investment Series, and the Dreyfus Municipal Bond Separate Account Series, the Client Services Agreement may be terminated by either Dreyfus or the Client upon written notice to the other party. In the event that the Client terminates the Client Services Agreement, (i) the Client may, in his, her or its discretion, instruct the portfolio manager(s) and Dreyfus to liquidate all of the securities held in the Account and pay the Client the cash proceeds received there from, (ii) the Client may, in his, her or its discretion and subject to clause (iii) below, instruct the portfolio manager(s) and Dreyfus to transfer any or all of the funds and/or securities held in the Account to another account designated by the Client, and to liquidate any securities held in the Account that are not transferred and pay the Client the cash proceeds received there from, or (iii) Dreyfus and the portfolio manager(s), though Dreyfus, may, in their discretion, liquidate all securities of any investment company registered under the Investment Company Act of 1940, as amended, that are held in the program account and pay client the cash proceeds received therefrom. If the Program account is to be liquidated as the result of a termination notice, the Client understands that the portfolio manager(s) may take up to two trading days to effect such liquidation following the date that the liquidation request was received by the portfolio manager(s). Proceeds will be payable to the Client within 10 days of liquidation.

With respect to a Client's participation in the Combined Series, the Client Services and Investment Advisory Agreement may be terminated (i) by Dreyfus upon not less than 30 days' written notice to the Client, and (ii) by the Client at any time upon written notice to Dreyfus, effective on the actual receipt of such notice by Dreyfus. Upon termination, Dreyfus will place orders to redeem the shares of all Funds and sell individual securities held in the Separate Account as promptly as is practicable and will deliver the redemption/sale proceeds to the Client. It will be the Client's responsibility to deliver to Dreyfus written instructions regarding the disposition of the cash proceeds from the redemption of Fund shares or sale of individual securities. In the event of such termination, the Client acknowledges that it may take longer than three business days to receive the proceeds from the redemption of shares of Funds other than the Sweep Fund or sale of individual securities held in the Separate Account.

Following termination of any Account in the Program, Dreyfus will be under no obligation whatsoever to recommend any further action with regard to the shares of any Fund or Separate Account or to provide any further investment advice to the Client. Dreyfus retains the right to complete any transactions open as of the termination date and to retain amounts in the Account sufficient to effect such completion.

**Separate Account Holding Fixed-Income Securities Only.**

With respect to Separate Accounts holding fixed income securities only, if the Client closes such Separate Account within the first three calendar quarters after opening the account, an additional fee of \$1,500 will be charged to the Account. This fee is designed to reimburse Broker for the significant expenses associated with establishing and maintaining a Program Account holding solely fixed-income securities, including the expenses relating to advisory, execution and administrative services.

**Execution, Clearance, Administrative and Custodial Services by Pershing**

With respect to all programs except the Dreyfus Fund Series, all securities transactions shall be effected through clients' brokerage accounts opened with MBSC. MBSC shall introduce such brokerage accounts to Pershing LLC, a subsidiary of BNY Mellon. Pershing shall generally execute all purchase and sale orders directed to it by MBSC or Portfolio Manager and perform the clearance of same if used. A Portfolio Manager for the Customized Investment Series, Combined Series, and the Municipal Bond Separate Account Series may at their discretion select other brokers and dealers to effect and execute transactions for these Program Accounts. Pershing shall maintain custody of all Program Account assets and perform custodial functions, including crediting of interest and dividends on Program Account assets and crediting of principal on called or matured securities in the Program Account, as well as other custodial functions customarily performed with respect to securities Brokerage accounts. Pershing shall also forward confirmations of each purchase and sale to Client and Portfolio Manager. Additionally, Client Account statements will be forwarded by Pershing to Client, MBSC, and if requested by Portfolio Manager, to Portfolio Manager for each month in which activity occurs in the Program Account. Pershing also will act as general administrator of Program Accounts, and as such, pursuant to MBSC instructions, shall process charging and collection of Program Account fees, and process deposits to and withdrawals from Program Accounts.

With respect to the Dreyfus Fund Series, the Fund' Sub-Transfer Agent (DST) will execute all purchase and sale orders directed to it by MBSC. DST will perform clearance of such orders. DST will generally maintain custody of all Account assets and perform custodial functions among other things, which include the crediting of interest and dividends on Account assets. DST will also forward confirmation of each purchase and sale to the client. DST also acts as general administrator of each Account, which includes the charging and collection of Advisory Fees and the processing, pursuant to Dreyfus' instructions, of deposits to and withdrawals from Client Accounts.

**General Information Regarding Wrap Fee Programs**

In a "wrap fee" program, a program sponsor charges the client an all-inclusive ("wrap") fee that covers various costs relating to the management of the client's account. The wrap fee typically includes brokerage transaction charges, custodian fees, investment advisory fees, consulting fees relating to the preparation of a policy statement and consulting fees relating to the preparation of periodic reports. Typically, the client is introduced to the investment adviser by the client's broker, who is employed by the program sponsor. In a wrap fee program, trade execution is generally conducted through the



sponsoring firm. In some cases, however, trade execution may be done with a non-sponsoring firm, which may result in additional fees to the sponsoring firm's clients. Depending on the amount of activity in an account, the fees for a wrap fee program may result in higher costs than a client otherwise may incur by paying the sponsor's or adviser's standard fees and negotiating separate arrangements for trade execution, custodial and consulting services. The client may wish to evaluate the arrangement to satisfy the client that the total fee for a program is appropriate.

MBSC Representatives may recommend the Program to current or prospective Clients. All or a portion of the Advisory Fees charged by MBSC may be paid to MBSC Representatives for introducing Clients to the Program or for providing supplemental and other Client-related services. These payments may be made for the duration of each Client's participation in the Program. The amount of compensation received by MBSC Representatives with respect to the Clients who participate in the Program may be more than that received if the Clients participated in other investment advisory programs or paid separately for the investment advice, brokerage and other services provided as part of the Program. As a result, MBSC Representatives may have a financial incentive to recommend the Program.

## **Item 5. Account Requirements and Types of Clients**

### **Participation in the Program/ Minimum Investments and Additional Deposits**

The minimum initial investment required to participate in the Dreyfus Fund Series and Mutual Fund Series is \$25,000. The minimum initial investment to participate in the Customized Investment Series is \$100,000 for equity, \$300,000 for the Dreyfus Municipal Bond Separate Account Series national portfolio, and \$500,000 for state specific portfolios. The minimum initial investment that is required to open an Account for the Combined Series varies depending on the particular Asset Allocation Plan designed for the Client, and is determined by MBSC in consultation with the Client. With respect to the Mutual Fund Series only, the Client initially may satisfy the required minimum asset level by making a deposit in the form of a check, bank wire or electronic check (no cash or securities will be accepted). With respect to the Customized Investment Series, and the Dreyfus Municipal Bond Series only, the Client initially may satisfy the portfolio manager's required minimum Separate Account size by making a deposit in the form of a check, bank wire or electronic check (no cash will be accepted) and/or a deposit in the form of securities deemed acceptable to the portfolio manager (in the portfolio manager's sole discretion) that have a combined market value at the time of deposit equal to or greater than the required minimum asset level established by the portfolio manager.

In the event that market fluctuations or Client withdrawals cause the Mutual Fund Series or Dreyfus Fund Series asset value to fall below the required minimum asset level, MBSC may (in its sole discretion) require that subsequent deposits be made by the Client in order to bring the Mutual Fund Series or Dreyfus Fund Series asset value above the required minimum asset level. In the event that market fluctuations or Client withdrawals cause the Separate Account asset value to fall below the required minimum Separate Account size, the portfolio manager may (in its sole discretion) require that subsequent deposits be made by the Client in order to bring the Separate Account asset value above the required minimum asset level. In either case, if the Client does not take appropriate action to satisfy the required minimum asset level after being requested to do so, then MBSC or the portfolio manager may terminate their agreement with the Client and close the Account.

After opening the Account, the Client may deposit additional money into the Account at any time, subject to a minimum amount of \$1,000 per deposit. For the Dreyfus Fund Series, a client may deposit additional money into the Account at any time subject to a minimum amount of \$100 per deposit. For the Mutual Fund Series there is a \$1,000 trade minimum for subsequent deposits and a \$100 trade minimum for scheduled rebalances. MBSC will accept subsequent deposits for the Account only in the form of checks, bank wires and electronic checks (no cash will be accepted; however, with respect to the Customized Investment Series and the Dreyfus Municipal Bond Separate Account Series only, the Client may deposit acceptable securities rather than cash if the portfolio manager expressly allows the Client to do so). MBSC will automatically invest at the end of each day any uninvested cash balance in the Account into the selected Sweep Fund. For the Dreyfus Fund Series, uninvested cash balances will be deposited into the Core Money Market Fund. If a subsequent deposit raises the total value of Account assets to a level that permits investment in a larger number of Funds per Asset Class, the Client may instruct MBSC to invest the assets into additional Funds in such Asset Class. In the absence of such instructions, MBSC will invest the additional assets in accordance with the Asset Allocation Plan without increasing the number of selected Funds. All subsequent deposits are subject to a \$1,000 trade minimum.

**Types of Clients**

MBSC offers the Program to individuals and other clients (each a “Client”, or collectively, the “Clients”) that may include trusts, estates, charitable organizations, individual retirement accounts, corporations, partnerships or other business or governmental entities.

The Program will not accept as a Client a retirement or other employee benefit plan that is subject to The Employee Retirement Income Security Act of 1974 (“ERISA”). The Program will accept Individual Retirement Accounts (“IRAs”) as long as they are not subject to ERISA.

Account assets will be invested without regard to potential tax consequences. MBSC does not provide any tax advice. Purchases and sales of securities may have tax consequences that the Client should discuss with an independent tax professional.

There can be no assurance that the Client’s investment objectives can be achieved by this Program or any other investment strategy.

## **Item 6. Portfolio Manager Selection and Evaluation**

### **Portfolio Manager Selection and Evaluation**

In selecting and evaluating Portfolio Managers to be offered through the Customized Investment Series, the Dreyfus Municipal Bond Series and the Combined Series, MBSC may use, as applicable, an objective, quantitative rating system to identify a select group of Portfolio Managers characterized by consistent management style and long-term returns for their Asset Classes.

Portfolio Managers may initially be classified into Asset Classes according to their investment objectives or guidelines, performance behavior, investment adviser style and actual portfolio holdings. Once assigned to Asset Classes, as applicable, the Portfolio Managers are evaluated on the basis of their overall returns, taking into consideration the level of risk experienced by each Portfolio Manager, the investment discipline of the Portfolio Manager, and the consistency of the Portfolio Manager's performance.

MBSC continually monitors and evaluates the performance of the Portfolio Managers offered through the Program. Based on this ongoing review and evaluation, MBSC may add to or remove from the Program any Asset Class or Portfolio Manager or change the Asset Class category of any Portfolio Manager in the Program. A Portfolio Manager also may decide to discontinue its participation in the Program.

MBSC may provide descriptive profiles of Portfolio Managers available in the Program that include past performance information. While MBSC believes that such information is accurate, MBSC does not independently verify or guarantee such information. Please note that MBSC cannot assure you that any past performance information provided has been calculated on a uniform or consistent basis. The prior performance of a Portfolio Manager available in the Program may not be indicative of the Portfolio Manager's future results.

From time to time, the Client may instruct MBSC and/or Portfolio Manager (as applicable) to review Client's asset allocation or Portfolio Manager selection for adjustments. One or more of the following factors may cause the client to instruct MBSC and/or Portfolio Manager to review the client's asset allocation: (i) a change in the client's objectives as identified in discussion between the Client and his, her or its advisor and as disclosed in writing to MBSC through a revised Questionnaire, or (ii) a change in the Funds or Portfolio Managers that are available through the Program.

In performing services and developing recommendations for Clients, MBSC may delegate certain responsibilities to third parties retained by MBSC to provide services to the Program. MBSC may rely on Dreyfus as well as other third parties to, among other things, evaluate, monitor and assign Portfolio Managers to particular Asset Classes, and make decisions regarding which Portfolio Managers will be included in the Program. References in this brochure to functions performed by MBSC include those that MBSC delegates to third parties retained by MBSC. MBSC, of course, remains responsible to the Client for all Program services provided.

### **Use of Affiliates as Portfolio Managers**

We may utilize an affiliate of ours as a portfolio manager for our wrap fee program. Selecting an affiliate as a portfolio manager may create conflicts of interest for us and our affiliated portfolio manager. We have an incentive to direct clients to accounts in which our affiliate is the portfolio manager, solely based



on our affiliation in order to generate additional fees for us or our affiliates rather than on the basis of expertise, performance or the client's needs. We address this conflict by using the same selection criteria for affiliates as non-affiliates and monitoring client accounts in the same manner, regardless of whether the portfolio manager is an affiliate.

Our affiliated portfolio manager may have an incentive to favor other accounts they manage directly by, for example, directing their best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of our client accounts. They also may have an incentive to dedicate more time and attention to their direct client accounts and to give them better execution and brokerage commissions than our client accounts. They address these conflicts by establishing policies and procedures to treat all of their clients (including our clients) fairly. Before selecting an affiliate as a portfolio manager, we evaluate the adequacy of our affiliate's policies, procedures and internal controls. We also monitor our affiliate's compliance with those policies and procedures on a continuous basis.

Currently, Standish Mellon Asset Management, LLC ("Standish"), an affiliated investment adviser, acts as Portfolio Manager of the Municipal Bond Series. Standish employees also manage Dreyfus mutual funds, as dual employees of Dreyfus, and are subject to investment and compliance oversight by our parent, Dreyfus.

## **Item 7. Client Information Provided to Portfolio Managers**

MBSC Representatives obtain certain client personal and financial information that is either required or necessary to communicate to the Portfolio Manager. This may include the Client profile information including client name, address, date of birth, and other profile data that is obtained upon account opening. Also, Client suitability information and risk tolerance will be obtained upon account opening and made available to the Portfolio Managers at that time. Portfolio restrictions are also communicated to the Portfolio Manager upon account opening, as well as, Client's account holdings and balances. As updates to Client profile information, suitability, risk tolerance, and portfolio restrictions are made on MBSC's records, such updates are then transmitted to Portfolio Managers accordingly. All account holding and balance information is made available to Portfolio Managers daily.

## **Item 8. Client Contact with Portfolio Managers**

MBSC representatives are readily available to clients on an ongoing basis. MBSC representatives shall coordinate client contact or consult directly with Portfolio Manager.

## **Item 9. Additional Information**

### **Disciplinary Information**

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

In July 2001, MBSC (formerly known as Dreyfus Service Corporation) was named with approximately 75 other entities as defendants in a case filed in United States District Court for the Southern District of Mississippi - Jackson Division alleging that accounts in which Dreyfus Service Corporation acted as distributor for registered investment companies were used as a conduit in a scheme to defraud insurance companies through the misappropriation of assets through the various accounts. MBSC believes that the claims are without merit and that there are valid defenses to the claims asserted. MBSC is continuing to evaluate the case and plans to defend the risks vigorously.

MBSC Securities Corporation is not a defendant in any of the complaints or actions described in the following paragraph.

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

### **Other Financial Industry Activities and Affiliations**

MBSC is registered as an investment adviser under the Investment Advisers Act of 1940 and 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**

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 Asset Management is the umbrella designation for BNY Mellon's affiliated investment management firms and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

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

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

#### **BNY Mellon Referral Incentive Compensation Plan**

BNY Mellon has adopted an incentive compensation program (“Compensation Program”) designed to reward internal referrals of business and opportunities, and:

- 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 Compensation 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 Compensation 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 Compensation 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**

Our Delegated Managers have affiliated “placement agents,” including MBSC Securities Corporation and BNY Mellon Asset Management International Limited, who solicit persons to invest in various private funds, including our private funds and separate account products. Certain private funds and our Delegated Managers have entered into agreements with these placement agents to pay them commissions or fees for such solicitations. Our Delegated Managers are solely responsible for the payment of these

commissions and fees - they will not be borne by the private funds and their investors. Our Delegated Managers 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.

Our sales and client service employees are registered representatives of MBSC, a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of FINRA. In their capacity as registered representatives of MBSC, these employees sell and provide services regarding funds managed by us.

**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.

**Affiliated Custodian**

Our affiliate, Pershing, provides custodial services to certain of our clients in the DMAP Program. Clients in the DMAP Program do not pay additional fees for custodial services. In addition, other clients may select other affiliates including BNY Mellon to provide custodial services. Those clients may pay additional fees to BNY Mellon or other affiliates for those services.

**Dual Officers and Employees**

Certain of our Delegated Managers' employees act as officers of 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 Firm personnel provide discretionary investment advisory services to certain clients and also to certain collective investment funds of the Bank and we receive a fee for such services. In their capacities as Dreyfus employees, these Firm personnel provide investment advisory services to certain affiliated registered investment companies. For such services, they 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 of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated

with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

**Affiliated Broker-Dealers and Investment Advisers**

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

We 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 Item 12 of our Delegated Managers' Brochure 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. Please also refer to Item 12 of our Delegated Managers' Brochure, for a discussion of trade aggregation issues.

**Affiliated Underwriters**

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

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

**Other Business Activities of MBSC and its Affiliates**

MBSC is an indirect, wholly owned subsidiary of The Bank of New York Mellon Corporation. As one of the Bank of New York Mellon companies, MBSC may, from time to time, use the research staff, products, services and library of its affiliates and may consult with their portfolio managers. MBSC' 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 and commodity trading advisers, municipal securities dealers and pension consultants, among other businesses. Certain of MBSC' affiliates serve as investment advisers of and provide other services to mutual funds and other investment companies, including the funds in the Dreyfus family of funds. Certain of these Dreyfus-affiliated Funds are used as Sweep Funds in the Program. MBSC' arrangements with these funds and their service providers are material to MBSC' 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.

MBSC-affiliated portfolio managers are available to the Client through the Program and may be recommended to the Client by MBSC Representatives in connection with the implementation of the Asset Allocation Plan. MBSC or an affiliate will receive fees for the services they provide to the MBSC-affiliated Separate Accounts. MBSC or its affiliates also may provide services to and receive fees from third party portfolio managers that participate in the Program. Services provided by MBSC and its affiliates for the MBSC-affiliated Separate Accounts include investment advice, administration, distribution and transfer agency services. For example, MBSC uses only money market funds that are managed, administered or distributed by its affiliates as Sweep Funds. The compensation paid to MBSC or an affiliate for these services is described in general terms in the Sweep Fund's prospectus and statement of additional information.

The Sweep Fund used for the Program was specially created for the temporary investment purposes of Client Accounts and other accounts managed by MBSC's affiliates. If the Client's participation in the Program is terminated, but the Client still maintains a brokerage account with MBSC, the Sweep Fund offered through the Program may no longer be available to the Client or the shares held by the Client in a specially created series of the Sweep Fund may be converted into shares of another series of that Fund. The Client will bear his, her or its proportionate share of fees applicable to the other series, which may be higher than the fees that apply to the series available through the Program.

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 the Client for purchase and sale. They also may give advice and take action in the performance of their duties for the Client that differ 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 Confidential Information and Securities Trading Policy that governs The Bank of New York Mellon Corporation and its subsidiaries (including MBSC).

MBSC Representatives may recommend the Program to current or prospective Clients. All or a portion of the Advisory Fees charged by MBSC may be paid to MBSC Representatives for introducing Clients to the Program or for providing supplemental and other Client-related services. These payments may be made for the duration of each Client's participation in the Program. The amount of compensation received by MBSC Representatives with respect to the Clients who participate in the Program may be more than that received if the Clients participated in other investment advisory programs or paid separately for the investment advice, brokerage and other services provided as part of the Program. As a result, MBSC Representatives may have a financial incentive to recommend the Program.

Clients participating in the Program may have brokerage or other investment advisory accounts with MBSC or its affiliates, and may pay commissions, sales charges or other fees to MBSC or its affiliates for services provided to these other accounts. Where permitted by applicable laws and rules, MBSC or an affiliate may engage in principal trades or agency cross transactions with Clients for accounts that are not



part of the Program, however, it is MBSC's current policy not to engage in principal transactions or agency cross transactions.

MBSC may, from time to time, enter into solicitation agreements providing for cash compensation to solicitors (including MBSC Representatives) who secure Clients for the Program. MBSC may from time to time enter into solicitation agreements under which it receives cash compensation for referring Clients to other investment advisers, including one or more of its affiliates, or arrangements with other investment advisers whereby MBSC agrees to provide certain services to clients of the investment adviser, in exchange for a portion of the investment advisory fee paid to the investment advisers by these clients. These arrangements will be conducted in accordance with the applicable rules under the Investment Advisers Act of 1940.

MBSC or its affiliates may from time to time enter into joint marketing activities with investment managers or sponsors of Funds that participate in the Program. These managers or sponsors may pay a portion, or all, of the cost of the activities, including reimbursement to MBSC or its affiliates for out-of-pocket expenses or may pay fees to MBSC based on Client assets held in the Program.

**Code of Ethics, Participation 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 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; 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.

*Clients should also review the brochure of the firm acting as Portfolio Manager which will contain additional information on that firm's investment advisory services.*

"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 nor do we engage in cross transactions.

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. 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 the 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 our self. Further, a potential conflict of interest could be viewed as arising if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for our self. See Item 12 of our Delegated Managers' Brochure for a discussion of their brokerage and allocations practices and policies.

### **Review of Accounts**

Portfolios are reviewed regularly. Reviews are triggered by contributions to or withdrawals from the accounts. In addition, quantitative reviews are conducted regularly to determine if asset allocation changes are needed. Also, reviews of each proposed new client's investment objectives are conducted and a determination is made of whether our investment strategy as selected by the client could reasonably be expected to meet such client's objectives.

Registered Representatives also review asset allocations and holdings on a periodic basis. Reviews of client accounts also are done in connection with periodic rebalancing that is done to each client's asset allocation plan. We review all proposed wrap fee accounts to determine that the financial information of the client and the investment objectives reflected by the client are reasonable for equity, balanced or fixed income account management. We consider the client's age and net worth, the portion of client's investment portfolio proposed to be managed, and the client's stated objectives, risk tolerance and restrictions. Our Compliance Officers also ensures that the Registrant is authorized to do business in the jurisdiction where the client resides.

*Clients should review the brochure of the firm acting as Portfolio Manager which will contain additional information on that firm's policies on Review of Accounts.*

### **Nature and Frequency of Reports**

Except with respect to the Dreyfus Municipal Bond Separate Account Series, on a quarterly basis the Client will receives a Quarterly Performance Report ("QPR"), which includes the deduction of any Advisory Fees (as defined below), and provides a description and analysis of the composition and performance of the Account's portfolio. Shares of each Fund in the Mutual Fund Series will be valued at their respective net asset values as reported by the applicable Fund on the last business day of each calendar quarter. Securities in a Separate Account will be valued at their respective prices as reported by an independent pricing service (where available), or otherwise in good faith as reflected on Client's QPR, on the last business day of each calendar quarter. The QPR will contain historical information and may not be relied on as predictive of future performance.

With respect to all programs except the Dreyfus Fund Series, the Client also will receive confirmations of all transactions made for the Account as required by law and a monthly Account statement showing investment activity for that month. With respect to the Dreyfus Fund Series, the Client also will receive confirmations of all transactions made for the Account as required by law and a quarterly Account statement showing investment activity for that quarter.

**Client Referrals and Other Compensation**

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

**Affiliated Solicitors and Placement Agents:** We may pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. Please see the discussion of affiliated placement agents in Item 10 of the Firm Brochure.

Our ultimate parent, BNY Mellon, has organized its lines of business into four groups: Asset Management, Asset Servicing, Payment Solutions & Investor Services and Private Wealth Management (collectively "Groups"). We are part of the Asset 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, Asset 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 Asset 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 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 one of the three other Groups. 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 above.

**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.