

**BNY Mellon**  
**Investment Adviser, Inc.**



**240 Greenwich Street  
New York, NY 10286**

**Form ADV Part 2A  
as of March 31, 2023**

**This Brochure provides information about the qualifications and business practices of BNY Mellon Investment Adviser, Inc. (“BNYMIA”), including its Dreyfus division (“Dreyfus”). If you have any questions about the contents of this Brochure, please contact us at 212-635-8827. 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 BNYMIA also is available on the SEC’s website at  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

*This Brochure does not contain information relating to the investment advisory services that BNYMIA provides to U.S. mutual funds. Information pertaining to such funds is available in each Fund’s Prospectus or Statement of Additional Information, available at <http://bnymellonim.com/us> or by calling BNYMIA at 1-800-346-3621.*

## **Item 2. Material Changes**

The last annual update to this Brochure was on March 31, 2022. We have made the following updates to this Brochure since that time: as of May 2, 2022, we have changed the name of our Dreyfus Cash Investment Strategies division to Dreyfus and have updated the corresponding references throughout this document; as of May 27, 2022, we have updated Item 9 to reflect a settlement we entered into with the SEC regarding the consideration of Environmental, Social, and Governance (“ESG”) principles in making investment decisions for certain mutual funds advised by us.

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## **Item 4. Advisory Business**

### **Dreyfus**

Dreyfus is a division of BNY Mellon Investment Adviser, Inc. (“BNYMIA”) (the “Firm” or “We” or “Us”), a US-registered investment adviser organized under the laws of State of New York. We are a wholly owned subsidiary of MBC Investments Corporation, which in turn is a wholly owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”). Dreyfus offers money market strategies to U.S. and non-U.S. investors.

Dreyfus was formed as a division of BNYMIA in January 2009. BNYMIA was formed in 1951 as The Dreyfus Corporation and has provided advisory services for money market funds since 1974. Effective June 3, 2019, The Dreyfus Corporation changed its name to BNY Mellon Investment Adviser, Inc. and its division, BNY Mellon Cash Investment Strategies, changed its name to Dreyfus Cash Investment Strategies. Effective May 2, 2022, Dreyfus Cash Investment Strategies changed its name to Dreyfus. BNYMIA also serves as an investment adviser to mutual funds, including the BNY Mellon Family of Funds and The BNY Mellon Funds Trust, and as an investment adviser or subadviser to certain non-affiliated mutual funds and other pooled investment vehicles.

This section describes only the advisory services that Dreyfus offers to the following types of clients:

- (i) Funds that are investment vehicles that operate pursuant to the European Communities Undertakings for Collective Investment in Transferable Securities (“UCITS”) in Ireland and the United Kingdom; and
- (ii) Funds established as trusts under the laws of the Province of Ontario in Canada.

References to “client” in this section mean the funds summarized above. The Dreyfus section of this Brochure does not apply to the advisory services provided by Dreyfus to affiliated U.S.-registered mutual funds or to non-affiliated U.S.-registered mutual funds subadvised by BNYMIA, since the SEC does not require delivery of a Brochure to such funds.

### **Dreyfus - Assets Under Management**

As of December 31, 2022, Dreyfus managed \$290.246 billion on a discretionary basis; no assets were managed on a non-discretionary basis.

Dreyfus may also from time to time offer investment advisory services to pooled investment vehicles, or “funds.” Such pooled investment vehicles would each have a stated investment objective and a set of uniform investment policies and guidelines we would be required to follow. For this reason, unlike separate accounts, fund guidelines cannot be tailored for, nor selectively applied to, individual underlying participants, but are meant to apply in common across all fund participants.

We offer investment advisory services to non-U.S. clients and may be subject to the laws and regulations of the relevant jurisdictions. The Central Bank of Ireland has confirmed its non-objection with respect to BNYMIA acting in the capacity as an investment adviser to Irish authorized collective investment schemes.

### **Equity Fund Management**

As of October 1, 2021, in addition to the investment advisory services provided by Dreyfus, described above, we serve as manager (or in a similar capacity) to certain equity-strategy pooled investment vehicles (the “Funds”). The Funds may each be organized as one of a variety of corporate forms, including limited partnerships, limited liability companies, trusts and group trusts. The Funds are not registered under the Investment Company Act of 1940, as amended (“Investment Company Act”), and certain of the Funds are not offered or available to US investors. We provide investment advisory and fund operation services to the Funds, either through a management agreement or pursuant to a Fund’s operating document. In addition, we carry out the key activities of risk management, fund administration and governance, as well as the ongoing oversight of service providers. With respect to certain of the Funds, we may, to maintain the Fund’s legal structure and retain the ability to perform certain administrative functions, hold a nominal ownership position in the Fund. With respect to such nominal ownership, we collect no dividends and receive no voting rights.

As agent of the Funds, we have entered into an advisory agreement with Walter Scott & Partners Limited (“Walter Scott” or the “Investment Manager”), an affiliated investment adviser, and have delegated to Walter Scott the discretion to make all investment decisions for the Funds’ portfolios and to perform certain other tasks for the Funds, subject to our overall supervision. Walter Scott carries out the day-to-day portfolio management and determines the amount of capital committed to each investment for the Funds.

The Funds are offered only to sophisticated and institutional investors. Each of the Funds has an investment objective and a set of investment policies and/or guidelines that it must follow. For this reason, we cannot tailor the investment advisory services we provide to the Funds to meet individual

investor needs. In addition, we cannot impose individual investment restrictions on the investment strategies for underlying investors in the Funds. The Funds employ a ‘long only’ equity investment strategy with regional focuses, including international, US and global.

### **Equity Fund Management - Assets Under Management**

As of December 31, 2022, assets under management with respect to the Funds totaled approximately USD \$8.544 billion; all such assets were managed on a discretionary basis.

## **Item 5. Fees and Compensation**

### **Dreyfus**

We provide advisory services to clients pursuant to the terms of an investment advisory agreement with the sponsor or manager of the funds. Fees for advisory services to clients are individually negotiated and payable in a manner and frequency according to the relevant agreement. We do not deduct fees directly from client accounts.

### **Pooled Investment Vehicle Fees**

We may offer investment advisory services to U.S. or offshore-domiciled pooled investment vehicles or other private funds (“funds”). Depending on the client’s fee arrangement and / or the legal structure of the fund, fees may be assessed either at the participant’s account level or at the fund or share class level.

Fees would typically be calculated based on average daily or monthly net assets, depending on the duration profile of the fund’s investment strategy, and correspondingly payable monthly or quarterly in arrears. Participants’ accounts may also be subject to additional charges such as custody, brokerage and other transaction costs, and/or administrative or other expenses. Fees are not generally negotiable, though they may be waived or deferred at the discretion of the fund in accordance with the fund’s offering materials. Such waivers and deferrals would cause some clients or groups of clients to pay fees that would be less than the basic fee schedules disclosed in a fund’s offering materials. In addition, funds that we potentially manage might also be subject to performance fees. All such fees and expenses would be described in detail in the applicable fund’s offering documents.

### **Equity Fund Management**

The Funds charge different management fees based on a percentage of the Fund’s net asset value.

Fees are typically calculated based on month end valuations and paid to the Fund by investors either monthly or quarterly in arrears depending on the specific Fund. Investors may select to pay their fees through redemption of units. We receive a management fee as set out below which covers all management, portfolio management and risk management services, as well as any other expenses relating to the offering of units. We pay out of the management fee we receive the fees of the Investment Manager as agreed between the two parties from time to time. The Funds may also be subject to additional charges such as custody, brokerage and other transaction costs, administrative and other expenses. Fees are not generally negotiable, though they may be waived, varied or deferred at our discretion in accordance with the Funds' offering materials. Such waivers, variations and deferrals would cause some clients or groups of clients to pay fees that are different from the basic fee schedules disclosed in Fund offering materials. Please see the applicable Fund's offering materials for further information regarding fees.

### **Base Fee Schedule**

Our fee management schedule generally ranges from 0.30% to 0.95% of AUM, based on the Fund selected by the client and/or the amount invested by the client in a given Fund, and on whether the Fund selected features a single-rate or tiered-rate investment management fee structure.

Each Fund pays custody fee and other Fund expenses. We (and not a Fund) will pay the Investment Manager a sub-advisory fee out of the management fee we receive, which is based on a percentage of a Fund's net asset value.

Our fees are based on the valuations provided by custodians or administrators. Generally, we do not price securities or other assets for purposes of determining fees. However, to the extent permitted by applicable law, including ERISA, from time to time, we or one of our affiliates will be tasked with, or participate in, determining in good faith the asset values of securities held in pooled investment vehicles we advise, if the market price for a security is not readily available, or where we or our affiliate has reason to believe that the market price is unreliable. A conflict of interest may arise in situations where we are involved in the determination of the valuation of an investment because we would benefit by receiving a fee based on the impact, if any, of the increased value of assets in the account. In such circumstances, we require, to the extent possible, pricing from an independent third-party pricing vendor. If vendor pricing is unavailable, we then look to other observable inputs for the valuations including broker-dealers, index providers, and, if applicable, fair value pricing committees of affiliated mutual fund entities. In the event that a vendor price or other observable inputs are unavailable or deemed unreliable, we make a reasonable determination of a security's fair value. When pricing a security, we attempt, in good faith and in accordance with applicable laws, to determine the fair value of the security or other

assets in question based upon all available factors that we deem relevant at the time of determination. In determining the fair value of a security, we seek to determine the price a client might reasonably expect to (1) receive upon the current sale of a security or asset; or (2) pay to transfer the liability associated with the security or asset in an orderly arms'-length transaction between market participants on the date on which the security or asset is valued. The price will not be determined based upon what a client might reasonably expect to receive for selling such security or asset at a later time or if it holds the security to maturity.

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

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

We may from time to time offer or enter into investment advisory arrangements that feature performance fees; such fees would be fully described in the applicable investment advisory contract or product offering document. We currently do not manage any client assets that feature a performance fee. With respect to our Equity Fund Management business, we mitigate any potential conflict of interest inherent in the valuation process by conducting oversight of third parties involved in the valuation process, including the Investment Manager, third-party administrator and custodian and/or trustee, as applicable.

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts or investment products. For example, we manage client accounts having 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 employees may also be officers or employees of one or more of our affiliates ("dual officers" or "dual employees," as applicable.). These dual officers or dual employees undertake investment management duties for the affiliates of which they are officers or employees. Please see Item 10 for more information on our dual officer and dual employee arrangements. When we and our affiliates concurrently manage client accounts/



investment products, and particularly when dual officers or dual employees are involved, this presents the same conflicts as described below.

To address these conflicts of interest, 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. For example, where applicable, we have trade allocation policies and procedures which are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients. Please see Item 12 for an explanation of our trade allocation policies and procedures.

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

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

### **Conflicts of Interest Relating to Accounts with Different Strategies**

We and our affiliates manage numerous accounts with a variety of strategies, which may present conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. 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. We also face conflicts of interest to the extent we hold significant positions in illiquid securities in side-by-side accounts. Please also refer to Item 12 for a discussion of our brokerage practices.

### **Conflicts of Interest Relating to the Management of Multiple Client Accounts**

We and our affiliates 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 clients which may differ from the advice given, or the timing or nature of action taken, with respect to other clients. 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 (including compliance with any applicable ERISA prohibited transaction exemptions), and, where permitted by client guidelines, we may from time to time invest some or all of the temporary investments of client accounts in money market mutual funds advised or managed by us or our affiliates. In addition, we may invest client accounts in other affiliated pooled vehicles. We have an incentive to allocate investments to these types of affiliated accounts to generate additional fees for us or our affiliates.

### **Other Conflicts of Interest**

As noted previously, we and our affiliates manage numerous accounts with a variety of interests. This necessarily creates conflicts of interest for us. For example, we or an affiliate may cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, 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 also arise in cases where multiple client accounts we manage and/or client accounts of affiliates 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 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, 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 client accounts that we manage. Any of the foregoing conflicts of interest are mitigated by our policies and procedures with respect to allocating trades, monitoring client investment guidelines, maintaining appropriate information barriers, and similar fiduciary controls. Any such discussions will factor in the interests of the relevant parties and applicable laws.

## **Item 7. Types of Clients and Account Requirements**

### **Type of Clients**

With respect to **Dreyfus**, we currently provide investment advisory services to U.S. registered investment companies, non-U.S. domiciled UCITS, and non-U.S. domiciled funds established under the laws of the Province of Ontario in Canada. Solely at our discretion, we may offer other types of investment advisory services. With respect to our **Equity Fund Management** business, we currently provide investment advisory services to equity-strategy pooled investment funds, not registered under the Investment Company Act, that are intended for sophisticated and institutional investors. Investments in these funds are subject to minimum investment requirements, generally \$10 million, but this requirement may be waived or reduced at our discretion in accordance with the respective fund's offering materials. Please refer to the funds' offering documents for more information. Solely at our discretion, we may offer other types of investment advisory services.

### **Account Requirements**

We require clients to execute a written investment management agreement, granting us authority to manage their assets.

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

The investment strategies we offer invest in a variety of securities and employ a number of investment techniques that involve certain risks. Investing in securities involves risk of loss that you should be prepared to bear. This next section describes our overall investment, credit research, and market risk processes, followed by more detailed discussions of the associated risks.

### **Dreyfus**

#### **Investment Process**

Our investment process is a team approach where portfolio managers and the Dreyfus Credit Research team share information to form a disciplined and consistent strategy that meets the client's diversification, credit quality, liquidity, and average weighted maturity requirements.

Dreyfus utilizes the Charles River Trading System to support both pre-trade and post-trade

compliance. The system is programmed to monitor each client's investment policies and restrictions.

## **Credit Research and Risk Management**

### ***Credit Research; ESG Factors***

We believe that rigorous credit research is a critical tool in helping achieve our clients' investment objectives while seeking to minimize investment risk.

With primary analysts organized by sector, our credit research function is fully independent from portfolio management, and our dedicated research team employs a deliberately conservative policy, when evaluating individual credits, to help support portfolio credit quality and stability. We believe that this approach is well proven, and that it continues to be highly relevant in today's credit environment.

The process we employ to assess credit risk typically incorporates the review of company financial statements; issuer-specific documents, when appropriate, based on security type; applicable regulatory filings; macroeconomic, industry and sector factors; research previously completed by rating agencies and independent analysts; and onsite visits and discussions with issuer management when appropriate. We seek to invest in securities that present minimal credit risk, based on our assessment of the issuer's or guarantor's credit quality and capacity to meet its financial obligations, among other factors. As part of the security selection process, where appropriate and as applicable, and to the extent relevant information is available, we also evaluate whether environmental, social and governance (ESG) factors could have a positive, negative or neutral impact on the cash flows or risk profiles of the issuers or guarantors of the securities we purchase on behalf of clients. In evaluating ESG factors, we will use ESG research developed by one or more affiliates as well as ESG ratings and other material information provided by third parties and the issuers or guarantors of securities we purchase on behalf of clients. When considered material, identified ESG factors are incorporated within our credit risk analysis, but we may determine that other attributes of an investment outweigh ESG considerations when making an investment decision. Further, we may not consider ESG ratings or other ESG data in connection with every investment decision we make on behalf of a client. As a result, securities of issuers or securities guaranteed by guarantors that may be negatively impacted by ESG factors may be purchased on behalf of client accounts, while, conversely, we may divest or not purchase securities of issuers or securities guaranteed by guarantors that may be positively impacted by such factors.

Based on their findings, the credit research team prepares an “approved” issuer list for our liquidity management strategies. Our portfolio management teams then use these lists as the basis for their purchase decisions, subject to issuer, maturity, liquidity and portfolio diversification requirements.

All of our investment professionals have access to our proprietary Fixed Income Research Database (“FIRD”), a real time data warehouse that allows our analysts to enter comments and credit ratings on specific issuers for comparison with the major rating agencies. FIRD also enables our professionals to monitor historical credit trends over time.

### ***Credit Risk Management***

BNY Mellon and its affiliates, including those involved in the management, sales, investment activities, business operations or distribution of investment strategies, are engaged in businesses and have interests other than that of managing client accounts or funds (collectively, “clients”). These activities and interests include potential multiple advisory, transactional, financial and other interests in securities, instruments and companies that may be directly or indirectly purchased or sold by clients and the clients’ service providers, which may cause conflicts that could disadvantage a client account.

BNY Mellon and its affiliates may have deposit, loan and commercial banking or other relationships with the issuers of securities purchased by a client. BNY Mellon has no obligation to provide to Dreyfus or a client, or effect transactions on behalf of a client in accordance with, any market or other information, analysis, or research in its possession. Consequently, BNY Mellon (including, but not limited to, BNY Mellon’s central Market Risk Management Department) may have information that could be material to the management of a client account and may not share that information with relevant personnel of Dreyfus. Accordingly, when making investment decisions, Dreyfus does not obtain or use material inside information that BNY Mellon or its affiliates may possess with respect to such issuers.

Dreyfus will make investment decisions for each client that it believes are in the best interests of the client. Investment decisions made for each client may differ from, and may conflict with, investment decisions made for other funds and accounts advised by Dreyfus or BNY Mellon and its other affiliates. Actions taken with respect to such other funds or accounts may adversely impact each client, and, conversely, actions taken by the client may benefit BNY Mellon or other funds or accounts (including the client) advised by Dreyfus or BNY Mellon and its other affiliates. Regulatory restrictions (including, but not limited to, those related to the aggregation of positions among different other funds and accounts) and internal BNY Mellon policies, guidance or

limitations (including, but not limited to, those related to the aggregation of positions among all fiduciary accounts managed or advised by BNY Mellon and all its affiliates (including Dreyfus) and the aggregated exposure of such accounts) may restrict the investment activities a client. While the allocation of investment opportunities among the clients, funds or accounts advised by Dreyfus or BNY Mellon and its other affiliates may raise potential conflicts because of financial, investment or other interests of BNY Mellon or its personnel, Dreyfus will make allocation decisions consistent with the interests of the client and the other funds and accounts, and not based on the interests of BNY Mellon or its personnel.

### ***Market Risk Management***

Our investment and credit professionals also utilize input and guidance from BNY Mellon's central Market Risk Management Department (the "Market Risk Department") as part of our investment process. This input and guidance focus primarily on concentration levels and market and credit risks and are based upon independent analysis performed by the Market Risk Department relating to fundamental security characteristics, such as the sector, sovereign status, tenor, or rating of actual or potential investments. The Market Risk Department also may perform stress and scenario testing on portfolios we advise and provide various periodic and ad-hoc reporting to our investment and credit professionals.

### **Strategies We Offer**

We offer money market strategies that invest in high quality money market instruments with short-term maturities issued by companies, institutions, banks and governments. We also invest in repurchase agreements and bank deposits. Certain strategies will be limited to only government securities.

### **Equity Fund Management**

We have delegated discretion to the Investment Manager with respect to all investment decisions for the Funds, each of which employs a 'long only' equity strategy. We conduct oversight of the Investment Manager to ensure that it adheres to agreed-upon methods of analysis and to the Funds' investment strategies, and that it appropriately manages risk of loss. The Investment Manager's Form ADV Part 2A brochure contains a detailed explanation of its methods of analysis and is available upon request.

**Material Risks**

The section that follows sets forth information concerning the material risks involved with the money market and equity strategies we offer.

- **General risks.** Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investments involve risk of loss that clients and investors in our Funds 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.
- **Risk of Errors.** In executing on the above investment strategies and in light of the above investment risks, our operations are inherently complex, and errors will happen on occasion, including with respect to investment decisions, portfolio construction, trade execution, and/or reconciliation carried out by the Investment Manager. Our goal is to avoid errors by ensuring that preventive measures are undertaken by the Investment Manager. However, when errors do occur, after the errors have been corrected, our practice is to examine our procedures and those of the Investment Manager and if necessary, ensure that revisions are implemented to limit the likelihood of recurrence.

BNYMIA and the Investment Manager are generally responsible for their own errors, and not the errors of other persons, including, but not limited to, third party brokers and custodians, unless otherwise expressly agreed to by us. We may, in our sole discretion, assist, to the extent possible, with the appropriate correction of errors committed by third parties.

We take an active role in all error corrections and require that all errors must be promptly corrected. Our policy is that we may not use other client accounts, a client's brokerage account or any proprietary account of BNYMIA or its affiliates to correct an error. In addition, we require that errors be corrected in such a manner that the Funds are not disadvantaged.

If it is determined that we or the Investment Manager has made an error in a client's account, we will typically offer to compensate the client for the direct monetary losses (if



any) that the error caused in the client's account. Unless prohibited by applicable law or the Fund's documents, we may net gains and losses from the error or a series of related errors with the same root cause and offer to compensate the client for the net loss.

We typically notify clients as soon as practical of any errors that result in a material loss in the client's account. However, we generally do not notify clients about an event when we have determined that it does not constitute a compensable error.

**Dreyfus**

- **Asset-backed securities risk.** General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the strategy with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.
- **Banking industry risk.** The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.
- **Call risk.** Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, the strategy might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are subject to increased price fluctuation.
- **Counterparty risk.** The risk that counterparties in a repurchase agreement could fail to honor the terms of its agreement.
- **Country and sector allocation risk.** While the portfolio managers use the country and sector weightings as a guide in structuring the strategy's portfolio, they may overweight or underweight certain countries or sectors. This may cause the strategy's performance to be more or less sensitive to developments affecting those countries or sectors.
- **Credit risk.** Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a security, can cause the security's price



to fall, potentially lowering the value of your investment. Although the strategy invests only in high-quality debt securities, any of the strategy's holdings could have its credit rating downgraded or could default. The credit quality of the securities held by the strategy can change rapidly in certain market environments, and the default of a single holding could have the potential to cause significant deterioration of the value of your investment.

- **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 (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make services unavailable to intended users). 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.
- **Foreign government obligations and securities of supranational entities risk.** Investing in the sovereign debt of emerging market countries creates exposure to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. The ability and willingness of sovereign obligors in emerging market countries or the governmental authorities that control

repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Certain countries in which the strategy may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates and extreme poverty and unemployment. Some of these countries also characterized by political uncertainty or instability. Additional factors which may influence the ability or willingness to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations also will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default on its obligations. Some sovereign obligors in emerging market countries have been among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors, in the past, have experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

- **Foreign investment risk.** Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default on its obligations. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

- **Government securities risk.** Not all obligations of the US government, its agencies and instrumentalities are backed by the full faith and credit of the US Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases, there may be some risk of default by the issuer. Any guarantee by the US government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security. A security backed by the US Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of US government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.
- **Interest rate risk.** Prices of bonds, including mortgage-related and other debt securities, tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices and, accordingly, the value of your account. The longer the effective maturity and duration of the strategy's portfolio, the more the value of your investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors. Ginnie Maes carry additional risks and may be more volatile than other types of debt securities due to unexpected changes in interest rates. The longer the effective maturity and duration of the strategy's portfolio, the more the value of your investment is likely to react to interest rates.
- **Investment strategy risk.** The strategy's sustainability investment criteria may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.
- **Issuer risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.
- **Issuer and market risk.** Changes in economic, business or political conditions relating to a particular municipal project, municipality, or state in which the strategy invests may have an impact on the value of your investment.

- **LIBOR risk.** By July of 2023, panel banks will cease providing submissions for the calculation of remaining tenors of the U.S. Dollar London Inter-bank Offered Rate (“LIBOR”). In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR and to transition LIBOR-based instruments to the replacement rates. The secured overnight financing rate (“SOFR”) has been recommended by Federal Reserve and identified as the “Board-selected benchmark replacement” in the Adjustable Interest Rate (LIBOR) Act enacted in March 2022 and the related implementing regulation adopted in December 2022. SOFR measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities. As a result, SOFR is fundamentally different than LIBOR and could behave differently, and be more volatile, than LIBOR. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic experience or results as LIBOR or that it will have the same volume or liquidity as LIBOR has, which could adversely affect the volatility, value, liquidity, performance and yield of LIBOR-based instruments, such as loans, derivatives, fixed income, floating rate securities or other instruments. In addition, because SOFR is recommended, but not required, other rates could be adopted that would result in similar transition risks.

Client Accounts or Funds that now or at any time prior to the transition in cessation of LIBOR in July 2023 undertake transactions in, or otherwise hold, instruments that are valued using or otherwise linked to LIBOR rates or other interbank offered rates (“IBORs”), or enter into or otherwise maintain contracts which determine payment obligations by reference to LIBOR or other IBOR rates, could experience losses or otherwise be adversely affected as a result of the transition. Further, Client Accounts or Funds that hold such instruments, now or at any time prior to the transition in 2023, will incur costs in connection with closing out or otherwise selling those positions and entering into new trades or positions (which could be higher than usual as a result of the transition), and those transactions could be effected at disadvantageous times, prices or values, or otherwise under disadvantageous circumstances.

If a Client Account or Fund holds LIBOR-based instruments that require amendment or restructuring, the amendment or restructuring process could be difficult, costly and/or time consuming and could result in litigation if no agreement can be reached. Replacing LIBOR with an alternative reference rate in the transaction documents or similar documents for the instrument also could require repricing of the instrument, which could have an adverse economic impact on Client Accounts or Funds that hold such instruments. Further, comparable or otherwise suitable replacement investments or positions might not be

available at all or could be available only with disadvantageous terms or prices.

Uncertainty as to the nature of alternative reference rates and spreads, and uncertainty as to other changes and reforms to LIBOR could result in a sudden or prolonged increase or decrease in the value or liquidity of LIBOR-based instruments. These changes could impact the availability and cost of investments (as well as related hedging instruments), as well as the availability of capital and the cost of borrowing capital, which could result in increased interest expense and cost of capital for Client Accounts or Funds. Any such increased costs or reduced profits as a result of the foregoing could adversely affect the liquidity, value and performance of Client Accounts or Funds,

- **Liquidity risk.** When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy's ability to sell such municipal bonds at attractive prices.
- **Market risk.** The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, outbreaks of an infectious disease, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.
- **Market sector risk.** The strategy may significantly overweight or underweight certain companies, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to developments affecting those companies, industries or sectors.

- **US Treasury securities risk.** A security backed by the US Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because US Treasury securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.

**Equity Fund Management**

- **American Depositary Receipts and Global Depositary Receipts risk.** American depository receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global depository receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sales or disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.
- **Allocation risk.** The asset classes in which a strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term) such that the strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt. In addition, there can be no assurance that the allocation of a



strategy's assets among investment strategies and underlying funds will be effective in achieving the strategy's investment goal.

- **Clearance and settlement risk.** The degree and nature of risk will vary between geographies. Many emerging market countries have different clearance and settlement procedures compared to those in developed countries. There may be no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risks. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. More generally, because of the lack of standardized settlement procedures, settlement risk in emerging markets is generally more prominent than in more mature markets. Investment Managers' trades are generally settled delivery versus payment (DvP).
- **Counterparty risk.** There is a risk that a Fund's or the Investment Manager's counterparty could fail to honor the terms of its agreement. The primary counterparty risk mitigation is to trade in countries where DvP settlement prevails. The Funds' Investment Manager maintains an authorized broker list with ongoing and additional checks on the financial health of broker counterparties undertaken and monitored to further protect against counterparty risk.
- **Country, industry and market sector risk.** A Fund's strategy may result in an overweight or underweight position relative to the benchmark index, in individual companies, certain countries or market sectors, which in turn may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these companies, countries or sectors. In addition, the strategy may invest a significant portion (more than 25%) of its total assets in securities of companies located in a particular country regardless of such country's representation within the benchmark index.
- **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 (e.g., through "hacking" or

malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make services unavailable to intended users). 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.

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



to obtain and/or enforce judgments. Furthermore, increased political and social unrest in some countries could cause economic and market uncertainty throughout the region. The auditing and reporting standards in some emerging market countries may not provide the same degree of shareholder/investor protection or information to investors as those in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liability and consolidation may be treated differently than under the auditing and reporting standards of developed countries. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

- **Equity securities risk.** The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, an account may suffer losses if it invests in equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction.
- **Foreign currency risk.** A Fund may invest in foreign currencies. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the base currency of the strategy. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the base currency will reduce the value of securities held by the strategy that are denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls. The Investment Manager will not seek to add value by speculating in currencies and will generally leave the Funds' currency exposure unhedged and, therefore, a Fund may experience significant losses to the extent there are any large fluctuations in any currency in which such Fund's investments are denominated, relative to the U.S. dollar.
- **Government Regulation risk.** We and the Funds are subject to a variety of governmental regulations in the United States and in other jurisdictions that may result in additional regulatory and compliance or other burdens and otherwise impact the operation and management of the Funds. The impact of such changes (and any future changes) on the Funds and BNYMIA are uncertain and may result in additional legislative or regulatory action. Accordingly, the costs of operating in the financial services industry are likely to increase, and there will likely be changes in the functioning of financial markets that may affect us and the Funds in ways that cannot yet be predicted. It is possible that such changes

may impact our ability to continue managing the Funds.

- **LIBOR risk.** By July of 2023, panel banks will cease providing submissions for the calculation of remaining tenors of the U.S. Dollar London Inter-bank Offered Rate (“LIBOR”). In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR and to transition LIBOR-based instruments to the replacement rates. The secured overnight financing rate (“SOFR”) has been recommended by Federal Reserve and identified as the “Board-selected benchmark replacement” in the Adjustable Interest Rate (LIBOR) Act enacted in March 2022 and the related implementing regulation adopted in December 2022. SOFR measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities. As a result, SOFR is fundamentally different than LIBOR and could behave differently, and be more volatile, than LIBOR. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic experience or results as LIBOR or that it will have the same volume or liquidity as LIBOR has, which could adversely affect the volatility, value, liquidity, performance and yield of LIBOR-based instruments, such as loans, derivatives, fixed income, floating rate securities or other instruments. In addition, because SOFR is recommended, but not required, other rates could be adopted that would result in similar transition risks.

Client Accounts or Funds that now or at any time prior to the transition in cessation of LIBOR in July 2023 undertake transactions in, or otherwise hold, instruments that are valued using or otherwise linked to LIBOR rates or other interbank offered rates (“IBORs”), or enter into or otherwise maintain contracts which determine payment obligations by reference to LIBOR or other IBOR rates, could experience losses or otherwise be adversely affected as a result of the transition. Further, Client Accounts or Funds that hold such instruments, now or at any time prior to the transition in 2023, will incur costs in connection with closing out or otherwise selling those positions and entering into new trades or positions (which could be higher than usual as a result of the transition), and those transactions could be effected at disadvantageous times, prices or values, or otherwise under disadvantageous circumstances.

If a Client Account or Fund holds LIBOR-based instruments that require amendment or restructuring, the amendment or restructuring process could be difficult, costly and/or time consuming and could result in litigation if no agreement can be reached. Replacing LIBOR with an alternative reference rate in the transaction documents or similar documents for the instrument also could require repricing of the instrument, which could

have an adverse economic impact on Client Accounts or Funds that hold such instruments. Further, comparable or otherwise suitable replacement investments or positions might not be available at all or could be available only with disadvantageous terms or prices.

Uncertainty as to the nature of alternative reference rates and spreads, and uncertainty as to other changes and reforms to LIBOR could result in a sudden or prolonged increase or decrease in the value or liquidity of LIBOR-based instruments. These changes could impact the availability and cost of investments (as well as related hedging instruments), as well as the availability of capital and the cost of borrowing capital, which could result in increased interest expense and cost of capital for Client Accounts or Funds. Any such increased costs or reduced profits as a result of the foregoing could adversely affect the liquidity, value and performance of Client Accounts or Funds.

- **Liquidity risk.** When there is little or no active trading market for specific types of securities held by a Fund, it can become more difficult for an Investment Manager to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of an investment in a Fund may fall dramatically.
- **Market risk.** The market value of a security held by a Fund may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest, outbreaks of an infectious disease, currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.
- **Performance risk.** Investors often expect growth companies to increase their earnings at a certain rate. If a Fund does not meet its investor's performance expectations this is considered a material risk.

## **Item 9. Disciplinary Information**

In May 2022, BNYMIA entered into a settlement with the SEC related to alleged material misstatements and omissions by BNYMIA regarding the consideration of Environmental, Social, and Governance (“ESG”) principles in making investment decisions for six mutual funds advised by BNYMIA. (One of the six funds was liquidated in April 2020.) BNYMIA entered into this settlement without admitting or denying any of the SEC’s allegations that BNYMIA violated Sections 206(2) and 206(4) and Rules 206(4)-7 and 206(4)-8 of the Advisers Act, and Section 34(b) of the Investment Company Act. The SEC alleged that, during the period between July 2018 and September 2021, certain BNYMIA prospectus disclosures, and other statements made by BNYMIA in written responses to requests for proposals from other investment firms considering investments on behalf of their clients (“RFP Responses”) and at certain of the relevant funds’ board meetings concerning how ESG factors were considered in making investments for the six funds were incomplete and misleading. Specifically, the settlement order focuses on statements regarding whether every investment made by these six funds had undergone ESG quality reviews (“ESG QRs”) as part of the funds’ sub-adviser’s research process, which the order alleges was not always the case. The SEC settlement order states that while the funds incorporate ESG considerations into fund investment decisions, they do not have a specific mandate to follow ESG principles for every investment. The SEC also found BNYMIA lacked written policies and procedures designed to prevent inaccurate or incomplete statements in prospectuses, in RFP Responses, or to the funds’ boards about the sub-adviser’s use of ESG QRs when selecting investments for the funds. In resolving these findings, BNYMIA agreed to pay a civil money penalty in the amount of \$1.5 million, and to cease and desist from any further violations.

## **Item 10. Other Financial Industry Activities and Affiliations**

Certain of our employees are also officers or registered representatives of BNY Mellon Securities Corporation, an affiliated broker-dealer registered under the Securities and Exchange Act of 1934 and FINRA member.

### **BNY Mellon is a Global Financial Services Company**

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

responsible, through various subsidiaries, for US and non-US 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 ours to execute such transactions. Additionally, we may effect transactions in American Depositary Receipts (“ADRs”) or other securities and the involved issuers or their service providers may use affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers may include, for example, clearance of trades, purchases or sales of securities, serving as depositary bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates may receive compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its other affiliates may gather data from us about our business operations, 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, financial, legal or risk management purposes, pursuant to policies and procedures of Dreyfus, BNY Mellon or other affiliates. This data is deemed confidential, and procedures are followed to ensure that any information is utilized solely for the purposes intended.

### **BNY Mellon’s Status as a Bank Holding Company**

BNY Mellon and its direct and indirect subsidiaries, including BNYMIA, 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 a company we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict our ability to invest in that 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, Dodd-Frank Act 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 with affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and “covered funds” managed or sponsored 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 incidental or unintended intraday extension of credit between the securities clearance firm and a “covered fund.” As a result, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund’s selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate



**Affiliated Placement Agents**

With respect to our Equity Fund Management business, we have affiliated “placement agents,” including, without limitation, BNY Mellon Securities Corporation, Walter Scott & Partners Limited and BNY Mellon Investment Management Japan Limited, who may solicit persons to invest in various private funds, including our private funds. Certain private funds have entered into agreements with these placement agents to pay them commissions or fees for such solicitations. We or our affiliates are solely responsible for the payment of these commissions and fees - they will not be borne by the private funds or their investors. We or our affiliates pay these commissions and fees out of our profits, and these payments do not increase the fees paid by the private fund’s investors. Nonetheless, these arrangements present a conflict of interest because they provide a financial incentive to the placement agents and their employees and/or salespersons to direct investors toward those private funds that would generate higher commissions and fees. Please see Item 14 for more information on the compensation arrangements related to client referrals.

**Affiliated Service Providers**

In addition, to the extent permitted under applicable law, placement agents and their respective affiliates 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 provide services and receive fees from BNY Mellon in connection with such services, which would incentivize such persons to distribute interests in a private fund or other BNY Mellon products.

**Dual Officers and Employees**

As indicated in Items 4 and 5 above, certain of our employees may act as officers or employees of one or more of our affiliates (“dual officers” or “dual employees”) including the Bank, an affiliated New York chartered bank, for the purpose of performing investment management and related functions. In their capacities as dual officers or dual employees, such BNYMIA personnel could provide discretionary investment advisory services to certain clients, including certain collective investment funds of the Bank, and we would receive a fee for such services. Conversely, certain employees of our affiliates are designated as “dual employees” of BNYMIA and, in that capacity, provide investment management services to certain funds or client accounts that we manage.

**Affiliated Broker-Dealers and Investment Advisers**

We are 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 have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to the affiliate. However, we have broker selection policies in place that require our selection of a broker-dealer to be consistent with duty to seek best execution, and subject to any client and regulatory proscriptions. Please see Item 12 below for more information on our broker selection process.

We may be prohibited or limited from effecting transactions for you because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. Please also refer to Item 6 above, and Item 12, below, for a discussion of trade aggregation issues.

### **Affiliated Underwriters**

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which presents a conflict of interest because it creates 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 the 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.

BNY Mellon or its affiliates are frequently engaged to serve as trustee, indenture trustee, custodian, paying agent or other similar capacities for the issuers of corporate bonds and other securities, including asset backed and/or mortgage-backed securities. Because the receipt of compensation



for such services by an affiliate may be affected by the success and/or size of a primary offering of such securities, we may be prohibited from purchasing such securities in the primary offering for our ERISA clients in order to avoid a violation of ERISA's prohibited transaction rules. We, through BNY Mellon, have received an exemption from the U.S. Department of Labor in order to provide relief from these restrictions for our ERISA clients.

### **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 provide certain services to us, such as recordkeeping, accounting, marketing services, and referrals of clients. We 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 Mellon IM, and BNY Mellon EMEA.

We provide certain investment advice and/or security valuation services to the Bank. We also provide certain investment advisory and trading services to certain Bank clients and separately managed accounts (including separately managed accounts for which the Bank acts as trustee, custodian, or investment manager). Certain of our employees are also officers of the Bank. In their capacity as officers of the Bank, our 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 addition, our primarily institutional and employee benefit and foundation clients and our affiliated employee benefit plan may invest in certain collective investment funds of the Bank.

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

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

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the conflicts of interest they 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 Titan Parent Company, LLC, which owns Luminex Trading and Analytics LLC (“Luminex”), a registered broker-dealer under the Exchange Act, which was formed for the purpose of establishing and operating an electronic execution utility for trading securities for the “buy-side” (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.

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

### **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 (the “BNY Mellon Code”); and

2. BNY Mellon Personal Securities Trading Policy (the “PSTP”).

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm’s responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon’s Code of Conduct covers the following key principles:

1. Respecting Others: We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it’s the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify, mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We compete in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.
4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices for dealing with private and government clients are different from a legal perspective.
5. Protecting Company Assets: We ensure all entries made in the company’s books and records are complete and accurate and comply with established accounting and record-keeping procedures. We maintain confidentiality of all forms of data and information entrusted to us and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take an active part in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of

the global economy and the strength of our industry. We are honest, fair and transparent in our interactions with our communities and the public at large.

As a global financial institution, BNY Mellon and its subsidiaries (the “Firm”) are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees’ personal investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

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. Each of our employees is classified as one of the following:

1. Investment Employee (“IE”): IE is an employee who, in the normal conduct of his/her job responsibilities, is on the “public side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy and has access (or is likely to be perceived to 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 fund (defined as a fund sponsored, managed or subadvised by BNY Mellon or any of its affiliates), is involved in making securities recommendations to advisory clients, or has access to such recommendations before they are public.
2. Access Decision Maker (“ADM”): Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.
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. For IEs and ADMs, with respect to non-BNY Mellon securities, purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund’s disclosure documents.

A copy of our Code of Ethics will be provided upon request.

### **Interest in Client Transactions**

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

### **Principal Transactions**

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account (“cross transaction”). We do not engage in principal transactions. With respect to our Equity Fund Management business, the Investment Manager does not generally engage in principal transactions for equities transactions. However, foreign exchange trades entered into by the Investment Manager for a Fund may be effected by the Investment Manager as principal. However, the Investment Manager in such cases employs a consent process prior to any such trade as permitted under the U.S. federal securities laws.

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 (and, with respect to our Equity Fund Management business, the Investment Manager) 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 have a 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. However, neither we, nor, with respect to our Equity Fund Management business, the Investment Manager, invest in securities for our own benefit.

### **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 gives rise to a variety of conflicts of interest, particularly with respect to aggregating, allocating and sequencing securities being purchased on both our (or our 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 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 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 likewise raise a conflict of interest as we have an incentive to allocate securities that are expected to increase in value to ourselves. See Item 12 for a discussion of our brokerage and allocations practices and policies. Further, a conflict of interest could arise 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, or purchase or sell, securities that are issued by our parent company, BNY Mellon, or underwritten by its affiliate, BNY Mellon Capital Markets, LLC, for client accounts if such recommendation or purchase or sale is in accordance with the client's guidelines and applicable law. In addition, we or a related person may recommend the purchase of securities in certain private funds which we manage and for which we may serve as sole director or managing member or collective investment funds maintained by the Bank (which are managed by our personnel in their roles as dual officers of the Bank and for which we receive a fee, and the Bank may receive a custodial fee for custody services). We, our employees, and our related persons may invest in certain private funds or collective funds that may also include client assets managed by us, and we and such related persons will or would receive proportional returns associated with our investment. Additionally, we may receive an



investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) may receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads, or sales charges.

### **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 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” and “Affiliated Underwriters/Trustees” in Item 10 with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting syndicate.

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

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

## **Item 12. Brokerage Practices**

### **Dreyfus**

#### **Overview**

Our trading desk has general authority, subject to the approved counterparties list maintained by our Credit Research team, to select brokers and dealers, and the spreads or commission rates to



be paid, when executing trades on behalf of our clients' accounts. Debt securities are generally purchased and sold on a net basis (*i.e.*, without a commission) through dealers acting for their own account, rather than as brokers, or otherwise directly with the issuer or underwriter of the instrument.

This means that a dealer makes a market for such securities by offering to buy at one price and sell at a higher price. The difference between these "bid" and "ask" prices is known as the "spread." When executing transactions in the over-the-counter market (*i.e.*, with dealers), we will typically deal with the primary market makers in that security, unless a more favorable price or execution is otherwise obtainable from a different dealer or dealers. As described below, we use our best efforts to obtain execution of portfolio transactions at prices that are advantageous to the participating account(s), and at spreads or commission rates that are reasonable in relation to the benefits received. Please see the discussion concerning the Volcker Rule and its possible implications concerning our broker-dealer selection practices in Item 10, above.

### **Counterparty Selection, Trade Aggregation, and Trade Allocation**

Our trading desk allocates brokerage transactions using its best judgment, and in a manner that we believe results in a fair and equitable outcome, pursuant to our trade allocation policy. In general, we select brokers or dealers involved in executing portfolio transactions on the basis of their professional capability and the value and quality of their services. In choosing brokers or dealers for specific transactions, our trading desk evaluates the ability of the broker or dealer to execute the transaction at the best combination of price and execution quality. Our evaluations are based on a variety of factors, which may include, but are not necessarily limited to, price; liquidity; the nature and character of the relevant market for the security to be purchased or sold; the quality and efficiency of the broker's or dealer's execution; the broker's or dealer's willingness to commit capital; the reliability of the broker or dealer with respect to trade settlement and clearance; the level of counterparty risk associated with the transaction; the applicable spread or commission; the availability of electronic trade entry and reporting links; and the size and type of the order. In selecting brokers or dealers, no single factor is necessarily of primary importance, though, at various times and for various reasons, certain factors may be more important than others in determining which broker or dealer we select. However, seeking to obtain best execution always takes precedence over all other considerations.

Investment decisions for each portfolio are made independently from those of the other accounts we manage. Orders will generally be processed and executed on a first-in, first-out basis, in the order received by the trading desk. If, however, multiple accounts contemporaneously desire to purchase or sell the same security, we may aggregate (or "bunch") such concurrent orders when

we believe that this will result in more favorable execution and will allocate the aggregated result across the participating accounts in a fair and equitable manner, reflecting the pre-trade appetite determined for each participating account. If a bunched order is partially filled, the order must be allocated, absent a permitted exception specified by our trade allocation policy, among the accounts included on the trade ticket on a pro-rata basis in proportion to the originally intended allocation. In certain cases, a security with equivalent sector, quality, maturity, duration, risk, and yield characteristics may be substituted in lieu of a pro-rata allocation. In cases where transactions are aggregated, but it is not possible for us to obtain the same price or execution on the entire volume of securities purchased or sold, we may average the various prices involved, and associate to each participating account the resulting average price. All of our client accounts may participate in bunched trades to the extent that doing so is consistent with their investment policies, guidelines and restrictions. New issues follow the same allocation and aggregation policies and procedures described elsewhere in this section.

### **Soft Dollars**

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

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

### **Other Brokerage Practices and Potential Conflicts**

We do not: direct securities transactions to any broker-dealer in exchange for referral of investment management clients; execute trades with affiliated brokers or dealers; engage in cross trades except as permitted by regulation; or act as a principal with respect to any trade.

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.

**Equity Fund Management**

We have delegated the selection of broker-dealers for the Funds to the Investment Manager as part of our sub-advisory relationship. Our delegation to the Investment Manager is subject to the overall supervision and oversight of BNYMIA.

Please see the Investment Manager's Form ADV for information about the Investment Adviser's criteria for broker selection and the factors considered by the Investment Manager in seeking best execution.

**Soft Dollars**

The Investment Manager does not use or receive research or other products or services other than execution from broker-dealers or third parties in connection with transactions entered into on behalf of the Funds. As such, the Investment Manager does not utilize soft dollars, other than receiving research of the type that is customarily provided by brokers or dealers to their institutional customers, which may be useful to the Investment Manager in serving the accounts that it advises. Although the Investment Manager's receipt of such research services does not reduce its normal independent research activities, it may enable the Investment Manager to avoid the additional expenses that it might otherwise incur if it were to attempt to independently develop comparable information.

**Other Brokerage Practices**

For information about other brokerage practices including error correction, trade aggregation, and trade allocation, please refer to the Investment Manager's Form ADV.

**Item 13. Review of Accounts**

**Dreyfus**

The client accounts we manage are under our continuing supervision. Each such client is assigned to two or more investment professionals who manage the portfolio as a team. Each account is assigned a primary portfolio manager, with other team members acting as backup or alternate portfolio manager(s). Prior to implementation of a client's mandate, we reach an understanding with the client regarding appropriate guidelines and objectives for the portfolio. At the time that

the initial contribution is made by the client, the portfolio manager conducts a formal review of the account, and an appropriate investment policy and strategy are determined in light of the guidelines and objectives of the client and our long-term investment outlook. Following the initial review, the primary (or in their absence, the alternate) portfolio manager has daily responsibility for the account. From time to time, as deemed appropriate by the portfolio manager, special reviews may be conducted to consider the effects of unusual economic, political, or other macro-economic developments. Overall supervision of our Money Market strategies is provided by John Tobin, Dreyfus Chief Investment Officer.

### **Equity Fund Management**

#### **Investment Review**

The investment process conducted by the Investment Manager is formally overseen by our Risk and Compliance Committee (“RCC”) which reports directly to the BNYMIA Board. The RCC meets quarterly and conducts oversight of the relevant policies, processes and outcomes of the Funds’ Investment Manager, including, but not limited to: Fund performance and attribution; monitoring of investment guidelines; review and approval of side letters; Fund liquidity and dilution; consistency of portfolios with investment objectives and, due diligence, initial selection and oversight of each Fund’s placement agents and distributors.

#### **Reporting to Clients**

In addition to information that may be sent from time to time by the Funds’ custodian, periodic reports are sent to Fund investors by the Investment Manager. For details concerning the types and frequency of such reporting, please refer to the Investment Manager’s Form ADV Part 2A.

The Funds provide certain investors additional information and reporting that other investors do not receive (including with respect to portfolio-level information and estimates of Net Asset Value). Such information can be provided to such investors for various reasons, including, without limitation, in response to requests from such investors; as a result of side letter agreements with certain investors; to satisfy legal, tax, accounting or regulatory requirements applicable to such investors; as a result of other relationships between such investors and the Investment Manager, the Manager, and other BNY Mellon-controlled entities; or for any other reason determined by the Manager or the Investment Manager. Any such additional information or reporting could impact and affect an investor’s investment decision in respect of the Funds, its ability to monitor its investment in the Funds, and its decision to request a redemption of its Units. A decision by an investor to redeem, especially where such an investor’s capital represented a significant portion of a Fund’s assets, could negatively impact the liquidity profile of such Fund and the trading strategy

employed by the Investment Manager if the Fund were required to close out of positions earlier than expected due to such a redemption.

#### **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 our affiliates within the Investment Management Group are paid for intra-Group referrals to their Group counterparts. Those fees are based on the first year’s revenue for the Group counterpart.

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

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

With respect to our Equity Fund Management business, we may pay referral fees to our affiliates (and/or their employees) for referrals that result in additional Fund investors. For sales of private funds outside of the U.S., we may make payments to affiliates. Please also refer to the discussion of affiliated placement agents in Item 10, above.

#### **Item 15. Custody**

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

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets because a number of our clients have opted to have their accounts custodied at the Bank or at another BNY Mellon entity, which are related persons of BNYMIA.

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

1. Ability to Deduct Fees: advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement.
2. Related Person & Operational Independence: advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, provided the adviser and the related person are “operationally independent.” With respect to **Dreyfus**, we rely on this exemption from the Surprise Exam Requirement and have determined that our operations are independent from those of the Bank. With respect to our **Equity Fund Management** business, related persons do not hold client assets for any Funds, and we do not rely upon this exemption.
3. Pooled Investment Vehicles: advisers who are deemed to have custody of the assets of clients formed as pooled investment vehicles may comply with the rule if the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) of the end of the fiscal year. We advise certain pooled investment vehicles and intend to cause such pooled investment vehicles to receive and distribute audited financial statements to their investors and therefore rely upon this exemption from the Surprise Exam Requirement.

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

## **Item 16. Investment Discretion**

With respect to **Dreyfus**, we typically accept discretionary investment authority over client assets, and clients must grant this discretionary authority to us in writing via their investment management contract. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines for the particular client account.

Clients must deliver their investment guidelines and restrictions to us in writing, and we will adhere to such guidelines and restrictions when making investment decisions. We may also, from time to time, enter into non-discretionary advisory relationships, under which the client retains authority to direct specific investment activity. To the extent that we may offer pooled investment vehicles, such vehicles would typically provide for us to retain full investment discretion.

With respect to our **Equity Fund Management** business, we have entered into a sub-advisory relationship and have delegated to the Investment Manager discretion to make all investment decisions for the each of the Funds' portfolios, subject to our overall supervision. Please also refer to Item 4 above.

## **Item 17. Voting Client Securities**

### **Dreyfus**

As part of the contractual relationship between us and our clients, typically through an investment advisory agreement, a client may delegate to us its right to exercise voting authority in connection with the securities we manage for that client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures (the "Proxy Policies") that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

We offer money market strategies that invest in high quality money market instruments with short-term maturities issued by companies, institutions, banks and governments. We also invest in repurchase agreements and bank deposits. Due to the nature of these investments, we do not anticipate regular proxy voting activity. If presented with a proxy voting opportunity, we will seek to make voting decisions that are in the best interest of the client and have 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 our discretion. 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).

Clients that have granted us with voting authority are not permitted to direct us on how to vote in a particular solicitation. Clients that have not granted us voting authority over securities held in their accounts and choose either to retain proxy voting authority or to delegate proxy voting authority to another 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 will apply to those securities. We generally do not provide proxy voting recommendations to clients who have not granted us voting authority over their securities.

If we receive a proxy from a non-U.S. company, we will seek to effect a vote decision through the 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**

Where proxy voting authority has been delegated to us by a client, voting proxies becomes part of the firm's fiduciary function and is subject to the fiduciary duties owed to that client. These duties generally require the fiduciary to cast proxy votes in a manner consistent with the best interests of the client, to address actual or potential conflicts of interest, and not to elevate the fiduciary's own interests over those of the client with respect to proxy voting decisions.

No BNYMIA employee shall try to influence the proxy voting decisions made by us except in conformance with our normal operations (e.g., as an employee or member of a team or committee responsible for determining and/or implementing our proxy voting decisions) or as otherwise approved by Compliance or Legal.

In an effort to minimize the appearance that certain relationships or situations may inappropriately influence the proxy voting decisions made by us, we are required take the actions set out in the Proxy Policy when addressing actual or potential conflicts of interest.

We have 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 in accordance with the Voting Guidelines. We have engaged one of the Proxy Advisors as our proxy voting agent (the "Proxy Agent") to administer the mechanical, non-discretionary elements of proxy voting and reporting for clients. We have 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 us if the Voting Guideline so requires. The Voting Guidelines require referral to us of all proxy proposals or shareholder voting matters for which we have 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 us in our discretion).

For items referred to us, we may determine to accept or reject any recommendation based on the Voting Guidelines, research and analysis provided by the Proxy Advisors, or on any independent research and analysis obtained or generated by our portfolio managers, analysts and involved proxy administrative support personnel.

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**

We have determined that it may not be appropriate for the BNYMIA (the “Adviser”) to make proxy voting decisions for clients under certain circumstances due to an actual or potential material conflict of interest. These situations typically arise due to relationships between proxy issuers (or companies) and the Adviser, the Adviser’s employees, an Adviser executive, or a member of the Adviser’s Board of Directors.

#### Adviser Conflicts:

The following proxy solicitations are considered “Adviser Conflicts” for purposes of the Adviser Policy:

1. Proxies issued by a company for which an Adviser employee or member of its Board of Directors serves as a Board member;
2. Proxies issued by a company that is a current client of the Adviser and contributed materially to the Adviser’s total revenue as of the end of the last fiscal quarter;
3. Proxies issued by a pooled vehicle that relate to services provided by (or fees paid to) the Adviser or subsidiary of the Adviser (e.g., Investment Management Agreement, Distribution Agreement, Transfer Agency Agreement, etc.); and
4. Other proxies deemed to present an actual, potential or perceived material conflict because of a relationship between a proxy issuer and the Adviser, its executive officers or Board of Directors.

Except as described under “Exceptions” below, the Adviser shall not vote any shareholder proposal involving an Adviser Conflict. Instead, the Adviser shall submit (or arrange to submit) proxy votes involving Adviser Conflicts in accordance with the recommendation of an independent fiduciary selected and engaged by the Adviser for this purpose. Shareholder proposals issued by a pooled vehicle involving an Adviser Conflict above will be voted in the same proportion as all other voting shareholders of the fund (“mirror voting”) and will not be delegated

to an independent fiduciary. However, if “mirror voting” is not operationally feasible or if the Adviser determines that “mirror voting” in a particular situation may not be in the fund’s best interest, the conflicted proxy proposal will be presented to the BNYM PCC (as defined below) to determine how the proposal should be addressed.

Exceptions

The following proxy solicitations do not require Adviser to submit its vote to an independent fiduciary, mirror vote the proposal, or present the conflict to the BNYM PCC (defined below) notwithstanding the existence of an Adviser Conflict:

- Shareholder proposals that fall within the parameters of Adviser’s written and pre-determined proxy voting guidelines. These proposals will be voted consistent with Adviser’s written guidelines.
- Shareholder proposals that are directed (or consented) to be voted by a client for its own account. These proposals will be voted consistent with those directions (or consent).

BNY Mellon Proxy Voting Conflicts Policy

The Bank of New York Mellon Corporation (“BNY Mellon” or “Parent Company”) has established a Proxy Voting Conflicts Policy (“BNYM Policy”) that sets forth the required actions and reporting that is required of each subsidiary and business unit of BNY Mellon that has discretionary authority to vote proxies on behalf of clients (each, a “Voting Firm”) when actual or potential conflicts of interest involving the Parent Company arise.

The BNYM Policy identifies several specific types of proxy solicitations that are considered “Primary Conflicts” under the BNYM Policy for all Voting Firms (including the Adviser) and directs the manner in which such Primary Conflicts are to be addressed (e.g., application of written guidelines, delegation to independent fiduciary, abstention, mirror voting, client consent, etc.).

The BNYM Policy also identifies those situations that, while not identified as a Primary Conflict, may present an actual, potential or perceived material conflict because of a relationship between a proxy issuer and BNY Mellon or its executive officers or Board of Directors (a “Secondary Conflict”). Voting Firms, including the Adviser, must present to the BNYM PCC (defined below) for consideration any Secondary Conflict that they become aware of promptly after identification.

Proxy Voting Conflicts Committee:

As set forth in the BNYM Policy, BNY Mellon has established the BNY Mellon Proxy Voting Conflicts Committee (the “BNYM PCC”) as a sub-committee of the BNY Mellon Investment Management Risk Committee (the “IMRC”). The IMRC has empowered the BNYM PCC to (among other responsibilities): (1) maintain and approve changes to the BNYM Policy; (2) confirm whether a “Primary Conflict” or “Secondary Conflict” (as such terms are defined in the BNYM Policy) exists if unclear; (3) provide interpretive guidance and/or determine how certain actual or potential conflicts should be addressed; and (4) periodically review proxy conflict decisions reported by Voting Firms, including the Adviser.

The BNYM Policy requires each Voting Firm to establish its own Proxy Conflicts Committee (“PCC”) to, among other things, maintain, interpret, and effect the Voting Firm’s Proxy Voting Policy. As permitted under the BNYM Policy, the Adviser has chosen to appoint the BNYM PCC as the Adviser’s PCC. Accordingly, the Adviser shall present to the BNYM PCC for consideration and direction any need for guidance (1) to determine whether a certain situation should be treated as an Adviser Conflict, Primary Conflict or Secondary Conflict, and (2) the manner in which such actual or potential conflicts should be addressed.

The BNYM PCC shall have the sole discretion to determine how an Adviser Conflict, Primary Conflict or Secondary Conflict shall be addressed -- to the extent a situation is not addressed sufficiently under the applicable policy or if the Adviser deems the applicable policy to be unclear and BNYM PCC guidance is needed. Depending on the circumstances, the BNYM PCC may determine that the situation: (1) does not rise to the level of a material conflict of interest and will not prohibit the Adviser from voting the proxy; or (2) does present a material conflict of interest requiring some form of mitigation for the Adviser. The BNYM PCC may determine to utilize any conflict mitigation approach it deems necessary and appropriate (e.g., application of written guidelines, delegation to independent fiduciary, abstention, mirror voting, client consent, etc.).

It is the policy of the Adviser to abide by the BNYM PCC’s policies, procedures and decisions.

The Adviser shall amend any regulatory or client disclosure documents concerning proxy voting (e.g., Form ADV, fund offering materials, RFP responses, client reporting, etc.) in order for such disclosures to be consistent with the Adviser’s policy.

It is our policy to make proxy voting decisions that are solely in the best long-term economic interests of clients. We are 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 us. 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, we have consciously developed the Voting Guidelines and their application with several layers of controls that are designed to ensure that our voting decisions are not influenced by interests other than those of our clients. For example, we developed the 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. We have directed the Proxy Agent to apply the Voting Guidelines to individual proxy items in an objective and consistent manner across client accounts. When proxies are voted in accordance with these pre-determined Voting Guidelines, it is our 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 us in accordance with the Voting Guidelines or our direction, we seek to make voting decisions based upon the principle of maximizing the economic value of the securities held in client accounts. In this context we seek to address the potential for conflicts presented by such “referred” items through deliberately structuring the personnel who are responsible for making voting decisions. The representatives of our firm who are responsible for making proxy voting decisions do not include individuals whose primary duties relate to sales, marketing or client services. Rather the responsible personnel consist of senior officers and investment professionals who are supported by members of BNY Mellon’s Compliance, Legal, Proxy Administration 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, employees with a personal conflict of interest regarding a particular public company or proposal that is being voted upon must recuse themselves from participation in the discussion and decision-making process with respect to that matter.

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.

**Equity Fund Management**

We provide investment advisory services to the Funds. We have delegated to the Investment Manager discretion to make all investment decisions and perform certain other tasks for the Funds, including voting client securities. In the case of the NCS Millburn Fund LLC, the sole investor has been granted the right to vote the proxies for the Fund's holdings. Please see the Investment Manager's Form ADV for more information.

**Item 18. Financial Information**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. We have 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.