



July 1, 2020

BNY Mellon Capital Markets, LLC's Annual Letter to Customers

Dear Valued Customer:

Please be advised that pursuant to FINRA's Investor Education Rule 2267, BNY Mellon Capital Markets, LLC, ("BNYMCM" or "the Firm") shall, with a frequency of not less than once every calendar year, provide to you in writing the following items of information:

1. FINRA BrokerCheck Hotline Number: 1-800-289-9999
2. FINRA Web Site Address: www.finra.org

Also enclosed for your review is a copy of the Firm's Business Continuity Plan, Privacy Notice and Disclosure of General Terms and Conditions. In addition, an investor brochure that includes information describing FINRA BrokerCheck may be obtained from the FINRA website (www.finra.org). An investor brochure and a municipal advisory brochure that describe the protections available under MSRB rules and instructions on how to file a complaint with an appropriate regulatory authority can be found on the MSRB website (www.msrb.org).

Certain information regarding BNYMCM's order routing practices is required to be disclosed under SEC Rule 606 ("Disclosure of Order Routing Information"). Such information is available via an electronic link provided on the BNYMCM web site:

<https://www.bnymellon.com/us/en/disclaimers/business-disclaimers.jsp#capmarketsus>

<https://nms606.karngroup.com/bnymellon/606/2019Q4/3e6c255107>

<https://nms605.karngroup.com/>

Disclosure Information:

BNY Mellon Capital Markets, LLC is registered with the SEC, FINRA, MSRB, and a member of SIPC. Clearing, custody, execution or other brokerage services may be provided by its affiliate, Pershing LLC, registered with the SEC, FINRA, MSRB, NYSE, and a member of SIPC. Trademark(s) belong to their respective owners.

Hard copies of any disclosures are also available upon written request.

If you have any questions regarding the above information, you may contact your specific BNYMCM representative. Thank you for your continued business.

Sincerely,

BNY Mellon Capital Markets, LLC

BNY Mellon Capital Markets, LLC ("BNYMCM") is a subsidiary of The Bank of New York Mellon Corporation. BNYMCM is a registered



BNY Mellon Capital Markets, LLC Business Continuity Planning Disclosure

BNY Mellon Capital Markets, LLC (BNYMCM) has developed a Business Continuity Plan (BCP) on how we will respond to events that significantly disrupt our business. This BCP Disclosure provides summary detail on BNYMCM's risk mitigation strategy in the event of interruption(s) to daily business operations. The plan is designed to support all BNYMCM obligations to clients and customers in the event of a major disruption. The BCP is intended to comply with obligations pursuant to regulatory rules and requirements as promulgated by FINRA Rule 4370.

BNYMCM maintains multiple facilities across diverse locations supporting general business operations (sales, trading, accounting, operations). The diversity of corporate locations across broad geographic locations allows BNYMCM to maintain lines of business in the event that a single area is affected by disruptions. Our plan prevents the loss of connectivity to or from a single area of operations to interrupt business. Regardless of the scope of the disruption (firm-only, single building disruption, and area – or city-wide disruption), BNYMCM believes that our plan adequately identifies and mitigates our risk as it pertains to business continuity.

Our business continuity plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Pershing LLC, and our affiliate, The Bank of New York Mellon, back up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within four hours. Your orders and requests for funds and securities could be delayed during this period.

Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to an alternate firm location and expect to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and expect to recover and resume business within four hours. In either situation, we plan to continue our business operations. If the significant business disruption is so severe that it prevents us from remaining in business, we will work with Pershing to assure your prompt access to your funds and securities.

With regard to customers' access to funds and securities, there are no customer funds or securities held by BNYMCM. All customer transactions conducted on an RVP/DVP basis are held in central depositories or custodian banks (such as Bank of New York Mellon, DTC, Government Securities Clearing Corporation). All other customer accounts are held by Pershing.

Our BCP is intended to allow BNYMCM to continue to meet all existing obligations in the event of a disaster. We have evaluated numerous emergency situations and designed multiple solutions to meet disparate circumstances. Regardless of all the effort put forth on this vital concern, we acknowledge that no disaster recovery plan is perfect. The unpredictable nature of disasters precludes absolute preparedness for any plan. Certain situations may arise that affect outside entities upon which we rely for some measure of service or collaboration. This BCP is subject to change without notice. In the event that the BCP is modified, the updated disclosure will be promptly posted to the BNYMCM Internet website at www.bnymellon.com. A hardcopy of BNYMCM's BCP Disclosure can be obtained through a written request to the BNYMCM Chief Administration Officer at 240 Greenwich Street, 3rd Floor, New York, NY 10286.

FACTS

WHAT DOES BNY MELLON CAPITAL MARKETS, LLC DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none">Social Security number and incomeAssets and investment experienceWire transfer instructions and employment information <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons BNY Mellon Capital Markets, LLC chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does BNY Mellon Capital Markets, LLC share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	No
For our affiliates to market to you	No	No
For non-affiliates to market to you	No	No

Questions	Call 800-441-2559
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Notice to California Residents	Call 844-545-1259 for consumers to submit Individual Rights Requests or access the firm's CCPA page: https://www.bnymellon.com/us/en/privacy-california.jsp
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Who we are

Who is providing this notice?

BNY Mellon Capital Markets, LLC

What we do

How does BNY Mellon Capital Markets, LLC protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does BNY Mellon Capital Markets, LLC collect my personal information?

We collect your personal information, for example, when you

- Open an account or deposit funds
- Buy securities from us or sell securities to us
- Direct us to buy securities

We also collect your personal information from third parties, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.
BNY Mellon Capital Markets, LLC does not share information with non-affiliates so they can market to you.

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

BNY Mellon Capital Markets, LLC does not currently jointly market.

Other important information

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy, and may be amended at any time. We will keep you informed of changes or amendments as required by law.

Disclosure of General Terms and Conditions

Best Execution

BNY Mellon Capital Markets, LLC (“BNYMCM”) is committed to providing best execution of client orders consistent with applicable rules and regulations. When BNYMCM receives a client order, it uses reasonable diligence to ascertain the best market for the security, including, among other things, the size and type of order, the terms and conditions of the order, the trading characteristics of the security, the character of the market for the security, the accessibility of quotations, transaction costs, the opportunity for price or size improvement, the speed of execution, the availability of efficient and reliable order handling systems, the level of service provided by the market venue, and the customer’s overall objectives and specific trading instructions. BNYMCM regularly reviews transactions for quality of execution.

Disclosure of Equity and Option Order Routing Information

SEC Rule 606, requires broker-dealers (such as BNYMCM) that route customer orders in equity and options to make publicly available quarterly reports that disclose venues to which they route non-directed orders. The rule also requires broker/dealers to disclose the nature of any relationship they have with those venues, including payment for order flow arrangements.

This information for BNYMCM is available via the TKG website <https://nms606.karngroup.com/bnymellon/606/2019Q4/3e6c255107> and in hard copy for those who do not have access to the internet. The report is published by the end of the month following the prior calendar quarter reported. In addition to quarterly reports, information about the routing of identifiable customer orders is available to customers, upon request, for the prior six months trading activity.

Disclosure of Equity Order Execution Information

SEC Rule 605, requires market centers to make available monthly electronic reports. The reports include information about each market center’s quality of executions on a stock-by-stock basis, including how market orders of various sizes are executed relative to the public quotes. The reports must also disclose information about effective spreads (the spreads actually paid by investors whose orders are routed to a particular market center). In addition, market centers must include the extent to which they provide execution at prices better than the public quotes to investors using limit orders.

This information for BNYMCM is available via the TKG website <https://nms605.karngroup.com/BKCM/> and in hard copy for those who do not have access to the internet. The report is published monthly by the end of the prior month reported.

Order Routing and Payment for Order Flow

Under SEC Rule 607, BNYMCM is required to inform clients of the Firm's policy regarding receipt of payment for order flow from various third parties in connection with the routing of customer orders in NMS Stocks and certain other equity securities.

BNYMCM receives payment for order flow in NMS securities or other equity securities in the form of discounts, rebates, reductions of fees or credits received as a result of sending order to certain trading centers. In some circumstances the amount of such remuneration may exceed the amount that BNYMCM is charged by such trading centers. This does not alter BNYMCM's policy to route customer orders to the trading center where it believes clients will receive the best execution, taking into account price, reliability, market depth, quality of service, speed and efficiency. The trading centers that pay for order flow may provide the opportunity for execution of orders at prices better than the National Best Bid or National Best Offer.

Regulation NMS: Order Protection Rule

Regulation NMS ("Reg NMS") is a series of Securities and Exchange Commission ("SEC") rules related to the operation of the national market system ("NMS") for equity securities. Under Reg NMS's Order Protection Rule, BNYMCM has implemented procedures that are designed to prevent "trade-throughs" of NMS Stocks – the execution of trades during regular trading hours at prices inferior to protected quotations displayed by trading centers. To be protected, the quotation must be (1) automated and immediately accessible and (2) the best bid or offer ("top of book") on any exchange of the Financial Industry Regulatory Authority's ("FINRA") Alternative Display Facility ("ADF"). Specially, NMS Stocks include exchange-listed equities, exchange-traded funds ("ETFs"), and other securities (excluding options) that are reported to the Consolidated Tape.

One of the exceptions to the Order Protection Rule involves the use of Intermarket Sweep Orders ("ISOs"). An ISO is a type of limit order that allows BNYMCM to trade through a protected quote provided certain conditions are met. When executing an order, BNYMCM must route an ISO to execute against the full displayed size of any protected quotation with a price that is superior to the proposed execution price of the order that BNYMCM plans to execute. The ISO designation allows the receiving exchange of ADF participant to immediately execute the order without regard to better-priced quotes displayed in other markets. Unless another exception under the Order Protection Rule applies, it will be necessary for BNYMCM to route an ISO, or multiple ISOs, whenever executing your orders outside the national best bid or offer.

As a general matter, BNYMCM will route ISOs as agent on behalf of the customer and attribute any better prices received from such executions to the customer's order. ISOs will be marked as Immediate or Cancel ("IOC"). Once responses to the ISOs are received, BNYMCM will execute the remaining balance of the order at the agreed upon trade execution price and report it to the Consolidated Tape. The size of the trade will be reduced to reflect any executed ISOs and the trade will be reported with an ISO exemption modifier. ISO executions will be reported as separate agency executions. The customer may "opt-out," however, by informing BNYMCM on a trade-by-trade basis that the customer does not want to receive the benefit of any better prices obtained from the ISOs; in which case BNYMCM will execute your entire trade at the agreed upon trade execution price and size. BNYMCM then will report the trade immediately when the ISOs are routed. In this case, any required ISOs will be routed on a principal basis and retained by BNYMCM or allocated to other customer orders in accordance with NYSE and FINRA rules. Notwithstanding your decision to opt-out, where regulatory requirements dictate, BNYMCM may apply any better prices obtained from the ISOs to your order.

From time to time, BNYMCM may not receive a response within a reasonable period of time (e.g. within five seconds) to the ISOs that are routed as agent on your behalf. BNYMCM anticipates that instances of "lost" ISOs should not occur frequently because of the immediate response requirement for IOC orders. Nonetheless, in such cases, BNYMCM will consider the lost ISO to be unexecuted and will include its size in the remaining balance of the order to be executed at the previously agreed upon execution price. Should the customer inform BNYMCM that the customer does not consent to treating lost ISOs as such, BNYMCM reasonably will attempt to adjust the size and price of the trade to reflect the lost ISO, pending ultimate resolution.

Alternative Uptick Rule (Regulation SHO Rule 201)

The SEC implemented the "alternative uptick rule" for short sales (Rule 201 of Regulation SHO), which imposes restrictions on short selling when a stock has triggered a circuit breaker when the price of a security decreases by 10% or more from the previous day's closing price. The rule triggers the uptick rule, where a short sale order can only be displayed or executed at a price higher than the current national best bid. The uptick rule remains in place for the effected security for the remainder of the trading session and the following trading day.

Additional information can be found at the SEC website:

<http://www.sec.gov/news/press/2010/2010-26.htm>. Should you have any questions please contact the BNY Mellon Capital Markets, LLC Compliance Department.

Limit Up/Limit Down Rule

FINRA Rule 6190, known as Limit-Up Limit-Down (“LULD”) rule, creates a market-wide limit-up limit-down mechanism designed to prevent trades in individual securities from occurring outside of the specified Price Bands, across all US markets (including both exchanges and other execution venues), while allowing the product to continue to trade. When BNYMCM is unable to execute within the LULD price bands, orders will be handled in accordance with the parameters below and consistent with best execution:

Held Orders

- Market Orders. BNYMCM will route the unexecuted portion of market orders to trading centers that will display the unexecuted portion of the buy (sell) orders at or below (above) the upper (lower) price band.
- Marketable Limit Orders. BNYMCM will route the unexecuted portion of marketable limit orders to trading centers that will display the unexecuted portion of the buy (sell) orders at or below (above) the upper (lower) price band while not breaching the limit price.
- Non-Marketable Limit Orders. BNYMCM will route the unexecuted portion of non-marketable limit orders to trading centers that accept non-marketable limit orders. Non-marketable limit orders are non-executable if their limit price is outside the LULD bands.
- Immediate-or-Cancel (“IOC”) Orders. BNYMCM will cancel the unexecuted portion of IOC Orders.

All other orders will be handled by BNYMCM in accordance with the order terms agreed upon with clients at or within the LULD price bands, when applicable. When BNYMCM routes orders to other trading centers for execution, the orders will be processed in accordance with the LULD protocols established by the trading center to which they are routed.

FINRA Rule 5320 – Prohibition Against Trading Ahead of Customer Orders

Rule 5320 generally prohibits a member firm that accepts and holds a customer order from trading a security on the same side of the market of its own account at a price that would satisfy the customer order, unless it immediately executes the customer order up to the size of and at an equal or better price than it traded for its own account.

BNYMCM maintains internal controls known as information barriers between its trading units. The information barriers are designed to prevent one trading unit from having knowledge of customer orders held by a different trading unit. Accordingly, BNYMCM will trade for its own account while handling orders for institutional accounts unless the institutional client opts-in to Rule 5320 protection by notifying their BNYMCM sales representative.

FINRA Rule 5270

FINRA Rule 5270 prohibits a broker-dealer from trading for its own account while taking advantage of knowledge of an imminent client block transaction. Rule 5270 recognizes certain exceptions to this general prohibition. Among the exceptions, the Rule does not preclude a broker-dealer from trading for its own account for purpose of fulfilling or facilitating the execution of a client's block transaction. Consistent with this exception, BNYMCM may engage in trading to hedge the risk of a client's block transaction using market data and other forms of permissible information. This hedging activity may coincidentally impact the market prices of the securities or financial instruments you are buying or selling. As always, BNYMCM will conduct this trading in a manner designed to limit market impact and consistent with our best execution obligations.

"Held" or "Not Held" Orders

When an order is placed with BNYMCM for execution in the equity market, it may be specified that BNYMCM handle the order on either a "Held" or a "Not Held" basis. A "held" order means BNYMCM does not have discretion in the handling of the order. If an order is a "Held" market order or marketable limit order, BNYMCM must execute the order at the then prevailing market price; if an order is a "Held" limit order, any execution has to occur at the limit price or better, if available.

A "not held" order means BNYMCM is give time and price discretion in seeking to obtain the best execution of your orders. "Not held" orders give BNYMCM the flexibility and discretion to work your order to seek to obtain the best execution reasonable available. BNYMCM only accepts orders with volume limitations or special handling instructions (e.g., VWAP, market on close; percent of volume) on a "not held" basis.

Average Price Confirmations

Subject to applicable regulatory requirements, BNYMCM may execute the customers' order in more than one transaction over a period of time, or, in certain markets, aggregate your order with other orders. In such instances, BNYMCM will provide you with a confirmation noting that the aggregate amount of securities purchased or sold in the customers' account receive a single "average" price. BNYMCM will provide the customer with information regarding individual executions upon request.

Stop Orders

Clients should be aware that while stop orders may be a useful tool for investors who are unable to regularly monitor the price of their positions, they are not without potential risks. Stop prices are not guaranteed execution prices. A “stop order” becomes a “market order” when the “stop price” is reached and firms are required to execute a market order fully and promptly at the current market price. When the national best bid reaches the stop order price for sell orders, and the national best offer reaches the stop order price for buy order, BNYMCM will execute the stop order. Therefore, the price at which a stop order ultimately is executed may be very different from the investor’s “stop price.” Accordingly, while a customer may receive a prompt execution of a stop order that becomes a market order, during volatile market conditions, the execution may be at a significantly different price from the stop price if the market is moving rapidly.

“Net” Trading Orders

At the time an order is placed with BNYMCM, the customer may request to trade on a “net” basis. Pursuant to FINRA Rule 2124, a “net” transactions means a principal transaction in which BNYMCM, after having received the customer order to buy (sell) an equity security, purchases (sells) the equity security at one price (from (to) another broker-dealer or another customer) and then sells to (buys from) the customer at a different price. In such case, BNYMCM does not charge a commission, but rather collect the price difference between its principal transaction to buy (sell) the equity security and its subsequent sale (purchase) of the equity securities to (from) the customer as compensation for executing the transaction. BNYMCM will only execute trades on a net basis at the request of a customer.

SEC Rule 15c3-5 Market Access

SEC Rule 15c3-5 requires broker-dealers with access to exchanges to establish, document and maintain a system of risk management controls and supervisory procedures that are reasonably designed to systematically limit financial exposure of the broker-dealer. Clients should be aware that these parameters may reject certain orders that exceed pre-determined risk parameters.

Regulation SHO Rule 204 Customer Fails to Deliver in U.S. Equity Securities

Pursuant to Rule 204 of Regulation SHO, in connection with any customer sale transaction that results in a fail to deliver of a U.S. equity security at a registered clearing agency, BNYMCM, prior to the open of trading on the first settlement day following the settlement date (in the case of short sales) or the third consecutive settlement day following the settlement date (in the case of long sales or sales attributable to bona-fide market making

activity), immediately seek to resolve the fail by borrowing securities to make delivery or by engaging in a “buy-in” transaction in which BNYMCM purchases the securities of like kind in the market in satisfaction of its delivery obligation. BNYMCM reserves the right to charge the seller for the cost of such close-out borrows or buy-in transactions. To the extent we are unable to timely resolve the fail, our customers’ ability to effect short sales through BNYMCM in the failing security will be prohibited.

FINRA Rule 5131

FINRA Rule 5131 prohibits the acceptance of market and market open orders for the purchase of shares of a new issue in the secondary market prior to the commencement of trading such shares in the secondary market. Accordingly, BNYMCM will reject a customer market order for a new issue prior to the commencement of trading.

Request For Quote

BNYMCM, upon the customer’s request and at BNYMCM’s discretion, may provide request for quote or indicative valuations of certain financial instruments. BNYMCM provides indicative valuations for informational purposes only – they are not bids or offers or solicitations to conduct transactions. BNYMCM will not undertake to update any indicative valuation provided to you, and the indicative valuation may differ from values used in BNYMCM’s books and records and from trading prices. Providing an indicative valuation is not mean to imply that an actual trading market exists for the financial instrument at the valuation provided.

Information from which such indicative quotations are based will be obtained from sources believed to be reliable. At no time shall BNYMCM be deemed to guarantee the accuracy of such prices, make any representation or warranty or be held responsible for any losses or damages arising out of errors, omissions, changes in market factors or conditions, or any circumstances beyond BNYMCM’s control.

ERISA Section 408(b)(2)

Section 408(b)(2) of the Employee Retirement Income Security Act (“ERISA”) generally requires service providers to covered plans to disclose certain services and compensation in respect of arrangements covered thereunder. ERISA clients who trade through the BNYMCM should read the ERISA Section 408(b)(2) disclosure, which can be accessed on the BNYMCM website www.bnymellon.com .

After Hours Trading

BNYMCM may not accept a client order in pre or post-market session without disclosing that extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for Derivative Securities products.

Material Trading Risks

1. Risk of Lower Liquidity – Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

2. Risk of Higher Volatility – Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular markets hours.

3. Risk of Changing Prices – The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading versus what you would receive during regular market hours.

4. Risk of Unlinked Markets – Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system versus what you would receive in another extended hours trading system.

5. Risk of News Announcements – Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. These announcements may occur during extended hours trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

6. Risk of Wider Spreads – The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

7. Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) – For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

Use of Information and Hedging Activities

Under certain circumstances, BNYMCM may use information concerning customer orders or proposed transactions to facilitate the execution of those orders or transactions and may, subject to applicable rules and regulations, take the information into account in limiting the risks to which the Firm is subject in the course of its activities. In addition, the Firm traders that facilitate customer orders and engage in proprietary trading activities are exposed to customer information in connection with their facilitation activities.

In particular, BNYMCM may engage in different types of trading strategies for its customers, either as agent or principal. In the latter case, BNYMCM may seek to purchase or sell individual or related securities or derivatives to unwind the facilitation position, or to hedge (i.e., reduce or eliminate) its risk. For example, the customer may from time to time place orders with BNYMCM to be executed at an agreed upon price. By their nature, guaranteed benchmark orders generally require BNYMCM to conduct positioning/facilitation transactions in the subject securities for a portion of or throughout the day.

US Treasury Securities, Agency Debt, and Agency Mortgaged-Backed Securities Fails Charge Trading Practice

The Treasury Market Practices Group (the “TMPG”) and the Securities Industry and Financial Markets Association (“SIFMA”) have published the “US Treasury Security Fails Charge Trading Practices” and the “Agency Debt and Agency Mortgage-Backed Securities Fails Charge Trading Practices” standard procedure (as modified and in effect from time to time and published by the TMPG and SIFMA at <https://www.sifma.org/resources/general/fails-charge-trading-practices/> the “Fails Charge Trading Practices”), with respect to US Treasury Securities, debentures issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, and agency mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae (“Treasuries,” “Agency Debt,” and “Agency MBS,” respectively). BNYMCM has adopted these Fails

Charge Trading Practices for purposes of our transactions with you. Delivery-versus-payment or delivery-versus-transfer transactions in Treasuries, Agency Debt, or Agency MBS entered into between the client and BNYMCM shall be deemed to be subject to the Fails Charge Trading Practices, unless otherwise agreed in respect of a particular transaction, as described more fully below. In addition, if the customer has a prime brokerage relationship with BNYMCM, BNYMCM may offer contractual settlement on non-delivery-versus-payment and delivery-versus-transfer transactions in Treasuries. Although funds and securities may have been credited to the customer's account, the underlying transaction may not have settled. Accordingly, if BNYMCM is held liable for a Fails Charge in connection with an unsettled trade, BNYMCM may seek to obtain reimbursement from you delivering broker or may seek reimbursement from the customer.

By entering into any transactions with BNYMCM for the delivery of Treasuries, Agency Debt, or Agency MBS against the payment of funds or the transfer of securities (including any cash purchases or sale, forward purchase or sale (including with respect to Agency MBS any to-be-announced transaction, specified pool transaction, or dollar roll), option, repurchase ("repo") or reverse repo transaction, or bonds borrow or loan transaction), the customer will be deemed to have agreed for any such transactions that the failure to enforce such a Fails Charge in any one transaction or in multiple transactions shall not constitute a waiver of the foregoing rights with regard to any other transactions subject to a Fails Charge. The claim of a Fails Charge shall be without prejudice to any other rights or remedies under the applicable law, and shall not constitute a waiver of the non-failing party's right to exercise any other remedy.