REGULATORY INFORMATION DOCUMENT

Version 1.8

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Contents

Introduction

This Regulatory Information Document (referred to as the "**Information Document**") sets out important information for clients of one or more of the following Bank of New York Mellon (BNY) companies and branches:

- The Bank of New York Mellon, Frankfurt and London branches;
- The Bank of New York Mellon SA/NV, and its Amsterdam, Copenhagen, Dublin, Frankfurt, Luxembourg, Madrid, Milan and Paris branches;
- The Bank of New York Mellon (International) Limited;
- Pershing Securities Limited;
- Pershing Securities International Limited.

In this Information Document, the term "**BNY**", "**we**", "**us**" and "**ours**" refers to any one (or all, as the context requires) of the above companies and branches, and the term "**you**" or "**your**" refers to any client of any of those companies and branches. Capitalized terms used in this Information Document shall, unless specified otherwise, have the meaning given to them in the Appendix.

In the context of The Bank of New York Mellon London branch and The Bank of New York Mellon (International) Limited, any reference in this Information Document and in any other regulatory disclosures published on https://bny.com/RID to EU legislation, regulatory requirement, or guidance (including any concepts as defined therein) should be read as a reference to that EU legislation, regulatory requirement or guidance (including any concepts as defined therein) as it forms part of UK domestic law pursuant the European Union (Withdrawal) Act 2018 (as amended) (the "**EUWA**") or as otherwise adopted under, or given effect to in, UK legislation or the UK regulatory regime ("**UK Onshored Legislation, Regulatory Requirement, or Guidance**") and any references to EU competent authorities should be read as references to the relevant UK competent authority. All references to legislation, regulatory requirements or guidance in this clause refer to the relevant legislation, regulatory requirements or guidance as amended from time to time.

Part A of this Information Document sets out general information about BNY.

Part B sets out specific information in relation to the provision by BNY of investment or ancillary services, which are particular kinds of services regulated under the European Union Markets in Financial Instruments Directive (EU Directive 2014/65) ("**MiFID**"). MiFID, along with the Markets in Financial Instruments Regulation (EU Regulation 600/2014) ("**MiFIR**"), associated EU regulatory and technical standards and implementing law and regulation in the EEA states is referred to as "**MiFID II**". MiFID II sets out a comprehensive regulatory regime governing how firms performing investment and ancillary services and investment activities must organize their internal systems and controls and how they must conduct business with their clients. MiFID II is a key element of the European Union's financial services regime which is designed and intended to facilitate the integration of Europe's financial markets, enhance investor protection and attract new investors to the EU capital markets.

Additional information about BNY and our services is included within your agreements with us or in other documentation from BNY.

This Information Document is first published and made available to clients and prospective clients as of 3 January 2018. Updates may be made from time to time to this Information Document, and when these are made a new version of this Information Document will be made available at: https://bny.com/RID.

Disclaimer

BNY is the corporate brand of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole and/or its various group entities. This material and any products and services mentioned may be issued or provided in various countries by duly authorized and regulated subsidiaries, affiliates, and joint ventures of BNY. This material does not constitute a recommendation by BNY of any kind. The information herein is not intended to provide tax, legal, investment, accounting, financial or other professional advice on any matter, and should not be used or relied upon

Part A – General Information

1. Language of Communications between You and Us

BNY may agree to communicate with you in one or more languages depending on the location of the BNY Europe Affiliate(s) which provide(s) Services to you. The primary business language used by BNY is English, and so if we have not expressly agreed otherwise, communications from you to us (in particular legal notices, correspondence and documentation) should be in the English language.

2. Recording of Communications

BNY may make and retain records of any telephone conversations and electronic communications between you and us in compliance with Applicable Regulation. For further information please refer to https://www.bny.com/corporate/emea/en/data-privacy.html and your agreement(s) with BNY.

Please note that BNY has specific obligations to make records of communications regarding the reception, transmission and execution of client orders in Financial Instruments, details of which are set out in section 6, below.

3. How to Make a Complaint

If you have a complaint about BNY, you should raise it by contacting your BNY Relationship Manager in the first instance. Your BNY Relationship Manager will try to resolve the complaint in accordance with the EMEA Complaints Handling Policy, and will provide you with information on the policy at the time he or she receives your complaint (or at any time on request).

Clients of The Bank of New York Mellon, London branch, The Bank of New York Mellon (International) Limited and Pershing Securities Limited may have the right to refer a complaint to the UK Financial Ombudsman Service (the "**FOS**") if you satisfy the definition of an 'eligible complainant'. Eligible complainants are typically individuals and businesses below a certain size and consequently you may not fall within the jurisdiction of the FOS. Contact details for the FOS and information on how to make a complaint can be found at www.financial-ombudsman.org.uk.

Clients of The Bank of New York Mellon SA/NV, Luxembourg branch may have the right to refer a complaint to the Commission de Surveillance du Secteur Financier ("**CSSF**"). Contact details for the CSSF and information on how to make a complaint can be found at www.cssf.lu.

Clients of The Bank of New York Mellon SA/NV, Frankfurt branch may have the right to refer a complaint to the ombudsman scheme of the Association of German Banks (https://bankenombudsmann.de/) in accordance with the conciliation scheme under the rules of procedure for the settlement of customer complaints in the German private commercial banking sector (Ombudsmann-Verfahrensordnung), which can be provided to you upon request or can be downloaded at www.bankenverband.de.

Clients of The Bank of New York Mellon SA/NV, Madrid branch may have the right to refer a complaint to the Claim Services of the Bank of Spain or the Securities Market Commission (https://clientebancario.bde.es/pcb/es/menu-horizontal/podemosayudarte/consultasreclama/comorealizarrecl/ or https://www.cnmv.es/portal/Inversor/Reclamaciones.aspx).

Before submitting a claim to the Claim Services of the Bank of Spain or the Securities Market Commission, it will be required to accredit that a claim or complaint has been previously submitted to the Customer Care Service of The Bank of New York Mellon SA/NV, Madrid branch, (https://www.bny.com/corporate/es/en/customer-care-service.html) justifying that the relevant term has elapsed without outcome or that the customer disagrees with the outcome.

Clients of The Bank of New York Mellon SA/NV, Milan branch may have the right to refer a complaint to the

Arbitro Bancario Finanziario in accordance with applicable laws and Regulations. Such recourse to the *Arbitro Bancario Finanziario* constitutes a condition to bringing an action before the Court of Milan.

Clients of The Bank of New York Mellon SA/NV, Dublin branch and Pershing Securities International Limited may have the right to refer a complaint to the Office of the Financial Services and Pensions Ombudsman ("**FSPO**"), which may investigate complaints made by eligible consumers against regulated financial service providers if the complaint has not been resolved by the provider to the consumer's satisfaction. The following may be deemed eligible to submit such a complaint to the FSPO: private individuals, limited companies with an annual turnover of less than €3m, sole traders, trusts, clubs, charities and partnerships. Contact details for the FSPO and information on how to make a complaint can be found at https://www.fspo.ie/.

4. Conflicts of Interest

BNY or its affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to you. Conflicts of interest may also arise between BNY's different clients.

As a global financial services provider, one of BNY's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, BNY is required to prevent, manage and, where required, disclose information regarding any actual and/or potential conflicts of interest to relevant clients.

BNY is required to and does maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

BNY maintains an EMEA Conflicts of Interest Policy (the "**Policy**") in accordance with the requirements of MiFID II. The Policy (in conjunction with associated policies):

- identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- specifies the procedures or measures which should be followed or adopted by BNY in order to prevent or manage and report/disclose those conflicts of interest;
- sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of BNY;
- includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and
- sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by BNY to address its regulatory obligations only where the organizational and administrative arrangements established by BNY to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

BNY is required to, and does, assess and periodically review the Policy at least once per annum and take all appropriate measures to address any deficiencies.

Please contact your Relationship Manager for further information on the Policy.

5. EU Regulatory References in BNY Contracts from 1 January 2020

Where the context requires, in any contract with any one or more of (i) The Bank of New York Mellon London branch, (ii) The Bank of New York Mellon (International) Limited, and/or (iii) Pershing Securities Limited, for the purposes of complying with their respective regulatory obligations from and including 1 January 2021, the aforementioned BNY entities intend to treat any reference in those contracts to EU legislation, regulatory requirement, or guidance (including any concepts as defined therein) as a reference to that EU legislation, regulatory requirement or guidance (including any concepts as defined therein) as it forms part of UK domestic law pursuant the European Union (Withdrawal) Act 2018 (as amended) (the "**EUWA**") or as otherwise adopted under, or given effect to in, UK legislation or the UK regulatory regime ("**UK Onshored Legislation, Regulatory Requirement, or Guidance**") and any references in those contracts to EU competent authorities should be read as references to the relevant UK competent authority. All references to legislation, regulatory requirements or guidance in this clause refer to the relevant legislation, regulatory requirements or guidance as amended from time to time.

Part B – Information Regarding MiFID Investment Services

6. Classification of Clients Receiving MiFID Services

This Part B provides specific information in relation to Investment Services provided by BNY, and in places we provide information relevant to particular categories of clients. As a client (or potential client) of BNY you have been (or will be) classified as a particular category of client. These categories derive from MiFID II and include (but are limited to) Retail Clients, Professional Clients (as a Professional Client, you may either be a Per Se Professional Client or an Elective Professional Client) and Eligible Counterparties (as an Eligible Counterparty, you may either be a Per Se Eligible Counterparty or an Elective Eligible Counterparty). You may have been (or may be) given different classifications for different Services. If you are unsure as to the classification assigned to you by BNY, please contact your Relationship Manager.

7. BNY Order Handling & Execution Policies

Orders will be handled by us in accordance with our order handling and execution policies. Information regarding these policies will be available at https://bny.com/RID.

In addition to the information on our recording of communications provided at section 2, please note that MiFID II specifically requires us to make and retain records of telephone conversations and electronic communications which relate to the reception, transmission and execution of client orders for Financial Instruments. BNY will retain a copy of the recording of such conversations and communications with you, and these will be available to you on request for a period of five years (and, where requested by a Regulator, for a period of up to seven years).

8. Transaction Reporting and Market Transparency Requirements

Orders handled by us, or quotes given by us in connection with a potential Order, may result in details of the Order, quote or any resulting Transaction being provided to a Regulator or made public, as further described below.

Transaction Reporting

Where we provide a Service which results in a Transaction, we may be required by Applicable Regulation to report details of the Transaction (including but not limited to details about you and your staff and/or clients) to a Regulator (a "**Transaction Reporting Requirement**").

Transaction Reporting Requirements may arise as a result of various activities, including (but not limited to) where we execute an Order on your behalf, enter into a Transaction with you on our own account, receive and transmit an Order to another executing firm, or (if we provide Portfolio Management to you) generate an Order for you under our discretionary decision-making authority.

Market Transparency

Where we execute an Order with you or on your behalf, we may be required to make public the details of the resulting Transaction, or provide such details to an Execution Venue, to enable the Execution Venue to comply with its requirements under Applicable Regulation to make such details public. To the extent that we act as the Execution Venue, or the Order is executed by a BNY Europe Affiliate which is registered as a Designated Reporter in the UK, we may be directly required to make such details public. In addition, if we are a Systematic Internaliser in relation to a Financial Instrument for which we provide quotes to you in respect of a potential Transaction, we may be required to make public or disclose the details of such quotes to other clients. Details of what the terms Systematic Internaliser, and Designated Reporter mean and our status as such are provided in the next section below. Each of the foregoing requirements (along with any other transparency obligations which apply to us under MiFIR or other Applicable Regulation) may be referred to as a "**Market Transparency Requirement**".

9. Status as a Systematic Internaliser, and/or Designated Reporter

An Investment Firm may be classified as a "Systematic Internaliser" for the purposes of MiFID II. The detail on when an Investment Firm will be classified in this way is complex, and is set out in MiFID II. In the UK, an Investment Firm may also choose to be registered as a Designated Reporter.

Whether or not BNY is classified as a Systematic Internaliser or registered as a Designated Reporter may be relevant to you if you enter into Transactions with BNY and/or seek quotations for Transactions in Financial Instruments, including (but not limited to) if you are an Investment Firm subject to post-trade publication obligations under MiFID II.

Information on which BNY Europe Affiliates (if any) are Systematic Internalisers (and if so, in relation to which Financial Instruments), and/or Designated Reporters is available at https://www.bny.com/corporate/emea/en/regulatory-information.html, and will be updated following any changes in our status.

10. Assessments of Suitability & Appropriateness by BNY

Assessing Suitability

Where we provide you with Portfolio Management, in order for us to make recommendations or take decisions which are suitable for you, we need certain information from you to enable us to act in your best interests. It is therefore important that you provide us with the following information, and keep us updated as necessary if your situation changes:

- your knowledge and experience in the investment field relevant to the specific type of product or service;
- your financial situation (including your ability to bear losses); and
- your investment objectives, including your risk tolerance.

This information is required both in relation to you and other relevant parties who may be responsible for instructing or authorizing, or may be affected by, the recommendations or decisions we make, for example, any agents or employees representing or working for you, or any underlying principals that you are acting for.

You should note that if you do not provide BNY with such information, BNY may not be in a position to, and therefore cannot be obliged to, provide the applicable Service.

Please note that if you are a Professional Client, we are entitled to make certain assumptions about you, so that we are required to obtain less information than would be the case for a Retail Client. When providing Investment Services to a Professional Client, we are allowed to assume, in relation to any products, transactions and services for which you have been categorized as a Professional Client, that you have the necessary level of experience and knowledge to understand the associated risks.

Assessing Appropriateness

Where we provide you with Investment Services other than Portfolio Management, we will need you to provide us with information regarding your knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded, in order for us to assess whether the Service or product envisaged is appropriate for you.

Please note that we are entitled to assume that you have the necessary level of experience and knowledge to understand the risks involved in relation to particular products, transactions or services for which you have been categorized as a Professional Client.

If you are an Eligible Counterparty, we do not have to undertake an assessment of whether any products, transactions or services for which you have been categorized as an Eligible Counterparty are appropriate for you.

Please also note that (even if you are a Retail Client) we are not required to (and will not, unless we have agreed otherwise) assess the appropriateness of the Financial Instrument or Service provided or offered to you where the Service only consists of execution or reception and transmission of client orders for Non-complex Instruments at your own initiative. In such circumstances you will therefore not benefit from the protection of the conduct of business regulations relating to the assessment of appropriateness pursuant to the applicable Regulator's conduct of business rules.

11. Non-Monetary Benefits from Third Parties

We are required to inform you that, in providing Services, we may accept and retain minor non-monetary benefits from third parties, where permitted according to Applicable Regulation, for example: participation in conferences, seminars and other training events on the benefits and features of a specific Financial Instrument or an Investment Service; or hospitality of a reasonable *de minimis* value, such as food and drink during a business meeting or a conference, seminar or other training events.

12. Risk Information

Our provision of Investment Services may mean that you enter into Transactions in Financial Instruments. All Financial Instruments carry risk, and this section provides a non-exhaustive list of the Financial Instruments you may acquire or dispose of through our Services and a description of some of the risks associated with them. This section also contains information on risks inherent in certain activities to which you may have exposure through certain Services – specifically, title transfer collateral arrangements. You should ensure that you fully understand all of the risks associated with your investment activity. If you are in doubt as to such risks or the impact of any risks on you or as to your ability to bear risk, you should seek professional advice regarding the relevant investment from a person duly qualified to provide such advice.

Depending on the Services provided to you, further information may be provided in your agreements with BNY regarding risks associated with Financial Instruments or our Services.

A. Effects and Risks of Title Transfer Collateral Agreements

MiFID II prohibits entering into title transfer collateral agreements between Investment Firms and Retail Clients. Accordingly if you are a Professional Client or Eligible Counterparty and where, as part of our Services, you provide Financial Instruments to BNY under a title transfer collateral agreement (for example, in connection with derivatives Transactions entered into with us as your counterparty):

- any proprietary or other rights that you had in those Financial Instruments will be replaced by an unsecured contractual claim for delivery of equivalent Financial Instruments subject to the terms of the relevant collateral agreement;
- such Financial Instruments will not be held by BNY in accordance with the Custody Rules (and, among other things, will not be segregated from BNY's assets or held subject to a trust);
- in the event of BNY's insolvency or default, you will have an unsecured claim against BNY for delivery of equivalent Financial Instruments and you may not receive such equivalent Financial Instruments or recover the full value thereof;
- you will not be entitled to exercise any voting, consent or similar rights attached to the Financial Instruments (subject to any contractual rights that you may have otherwise agreed with BNY to direct BNY to exercise voting, consent or similar rights);
- you will not be entitled to receive any distribution or other payments, interests or other rights payable or deliverable in relation to those Financial Instruments (subject to any equivalent rights contractually agreed with BNY) (a "**Manufactured Distribution**"); and
- the provision of Financial Instruments to BNY under a title transfer collateral agreement, the receipt by you of Manufactured Distributions and the delivery by BNY to you of equivalent Financial Instruments,

  may give rise to tax consequences that differ from the tax consequences that would have otherwise applied in relation to the holding by you (or by BNY for your account) of, and the receipt of distributions or other monies or assets delivered pursuant to, those Financial Instruments.

Where you provide cash collateral to BNY under a title transfer collateral agreement:

- you will not have a proprietary claim over such cash (even where we act as your agent) and will have an unsecured contractual claim against BNY for repayment of an equivalent amount subject to the terms of the relevant collateral agreement;
- such cash will not be held by BNY in accordance with the Client Money Rules (and, among other things, will not be segregated from BNY's assets or held subject to a trust);
- in the event of BNY's insolvency, you will have an unsecured claim against BNY in respect of such cash

and you may not recover the full value thereof; and

- you will not be entitled to receive any interest that may have otherwise been payable in respect of such cash (subject to any contractual rights that you may have otherwise agreed with BNY to the contrary).

The information set out above is provided for your information only, as required by Applicable Regulation, and is not intended to give you any contractual right, nor intended to be relied upon as legal, regulatory, tax or other advice.

B. General risks

Different types of financial instrument are subject to different types of risk. The risks to which a particular instrument or service is subject will depend on a number of factors, including the nature of the instrument, its terms and conditions, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the issuer, the diversification or concentration in a portfolio, the complexity of the transaction and the use of leverage.

The risks described below are capable of affecting all types of financial instrument:

Liquidity risk

The liquidity of an instrument is primarily determined by the supply and demand for that instrument. It may also be impacted indirectly by other factors, such as market disruptions or issues in the financial market infrastructure underpinning the trading, clearing and settlement process. In extreme conditions, the liquidity of an instrument may disappear significantly or completely. Early termination or redemption of an instrument may not be permitted by its terms or, if permitted, may result in the investor receiving substantially less than the amount invested or, in some cases, nothing at all.

Credit risk

Credit risk is the risk of a borrower, obligor, guarantor, or counterparty failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. This may affect not only the market value of a relevant investment, but also the amount the investor may recover from the issuer in the event of the issuer's insolvency.

Market risk

Market prices of financial instruments fluctuate depending on supply and demand, investor perception and the prices of any underlying or linked investments or sector, political and economic developments. These may be impossible to predict.

Investments with an overseas element are subject to the risks of overseas markets which may differ from those of the home market of the investor, including currency risk. Investments with a link to emerging markets are, in particular, subject to additional risks. For example, price volatility in such markets can be extreme. Such markets may be characterized by low trading volumes, wide bid-offer spreads and price discrepancies. Market reactions to developments affecting such countries may be extreme. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure, legal certainty, regulation and regulatory enforcement found in more developed markets, although the conditions vary significantly from market to market. Emerging markets are also subject to heightened sector, economic and political risk, including the risk of nationalization or expropriation of assets or confiscatory or punitive taxation, sanctions, war and revolution.

Emerging markets may also be subject to foreign exchange controls, including controls imposed during times of market stress. These may make it difficult to engage in certain transactions, such as foreign exchange transactions, currency derivatives or repatriation of funds.

Settlement risk

The performance of a transaction executed on or reported to an exchange may be "guaranteed" by the exchange or clearing house. Typically, such guarantee is provided to the member of the exchange or clearing house through whom the transaction is executed or cleared. An investor may therefore not benefit from such guarantee and instead may have exposure to the credit and insolvency risk of the member through whom the transaction was executed or cleared. Transactions which are executed OTC may not be centrally cleared by a clearing house. The transfer of securities between an investor and their broker is often performed as a separate settlement at the local depository and would thus not benefit from the protection of a clearing house.

Settlement risk is the risk that a counterparty does not deliver the relevant asset or cash in accordance with the transaction terms. Settlement risk increases where different legs of the transaction settle in different time zones or in different settlement systems where netting or true delivery versus payment settlement is not possible. This risk is particularly acute in foreign exchange transactions and currency swap transactions.

Insolvency risk

The insolvency or default of the firm providing services to an investor or of any other party involved in a transaction (including any resolution action in respect of such firm or party) may result in positions being liquidated or closed out without the investor's consent or restrictions on the investor's ability to exercise rights such as termination rights. An investor may not get back their investments or cash in the event of such insolvency or default. Insolvency risk may also affect financial instruments held by the investor. For example, the insolvency of the issuer of a bond or share or counterparty to OTC derivatives may result in such investments losing value or becoming worthless.

Currency risk

You will be exposed to movements in currency exchange rates in relation to any instruments which are denominated in a currency other than the currency of your account or your base currency. This will also impact any foreign exchange transactions that you undertake. Currency exchange rates can fluctuate due to economic, social and political factors. Many countries have or may impose foreign exchange controls, including controls imposed during times of market stress. These may make it difficult to engage in certain transactions, such as foreign exchange transactions, currency derivatives or repatriation of funds. Further information on foreign exchange transactions can be found at: https://www.bny.com/corporate/global/en/disclaimers/foreign-exchange-disclosures.html.

Interest rate risk

Fluctuations in interest rates may adversely affect the values of certain instruments, such as fixed income securities, which may lose value if interest rates rise. Instruments with floating rates may experience a fall in income due to a fall in the applicable interest rate. A fixed income investor may not be able to reinvest any interest income received in respect of an instrument at the same rates as when they first purchased the instrument. Zero-coupon bonds are particularly exposed to increases in interest rates, suffering higher losses than other bonds with the same maturity and credit rating.

Regulatory and legal risk

All investments are subject to regulatory and legal risk. Legal and regulatory changes may make it illegal to hold or trade a financial instrument. Legal and regulatory (including tax) changes can have a significant impact on the profitability of a financial instrument or transaction or investment strategy. Such risks are higher in emerging markets. Legal and regulatory regimes may vary significantly from jurisdiction to jurisdiction. Laws and regulations may be enforced and applied inconsistently or arbitrarily or with retrospective effect or may be changed in response to economic or political pressure or public discontent. In many countries, the judiciary may not be independent or impartial or they may be inexperienced in matters of business, corporate and financial law and regulation. An overseas investor may not be able to obtain a satisfactory or timely remedy in local courts or satisfactory or timely enforcement of any judicial remedies.

An investor in financial instruments such as derivatives may not have proprietary interests in any underlying reference assets, but only a contractual claim against the counterparty.

The terms governing an instrument may operate against an investor. These include early redemption or termination provisions or terms granting the issuer wide discretion in relation to matters such as amendments of the terms or terms making the exercise of the investor's rights subject to conditions. In addition, the terms of an instrument may allow a group of holders, the issuer or a third party to make determinations or decisions binding on all holders (regardless of whether they consent), including variations of the terms.

Operational risk

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, may impact financial instruments and services. Business risk, especially the risk that a business is run incompetently or poorly, could also impact on shareholders of, or investors in, such a business.

Conflicts risk

In the ordinary course of its business, BNY will be subject to various actual and potential conflicts of interest which may operate against your interests.

Volatility risk

The price of a financial instrument may be volatile due to a number of factors, including low liquidity.

C. Risks of Certain Financial Instruments

This part describes some of the risks of certain Financial Instruments in respect of which BNY may provide

Services to you, and acts as a general, non-exhaustive description.

Risk of loss

The value of Financial Instruments and the income from them may fluctuate and go down as well as up. There is no guarantee that you will get back the amount initially invested. The value of investments may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events. Past performance is not a guide to future performance.

Equity securities

Equity securities, such as ordinary shares, confer certain rights on the holder to participate in the economic results of the issuer. The holder is typically entitled to vote on certain matters and to receive any distributions (such as dividends and return of capital) paid out by the issuer.

The prices of equity securities may be volatile, and their volatility is liable to vary from time to time. The volatility of equity prices may not follow historical trends and can jump rapidly in disorderly market conditions, which can lead to losses should the holder try to sell such securities during such conditions.

Equity shareholders may lose their entire investment if the issuer becomes insolvent, as they will rank below the issuer's creditors (such as holders of debt securities) and other holders of more senior securities (such as holders of preference shares). Equity shareholders have no guarantee of a return on their investment.

The equity securities of small companies, including penny shares, may have wide bid-offer spreads, meaning a significant gap between the buying price and the selling price at any point in time. This could cause significant losses to a holder if they attempt to sell their shares within a short period of time after acquiring them. Such securities may also be characterised by higher volatility and lower liquidity. Small company shares are therefore fraught with a higher risk of losing money. In contrast to more established companies with large market capitalisations, companies with small market capitalisations may be at an earlier stage of development, may be subject to greater business risks, may have limited product lines, limited financial resources and less depth in management. In addition, these companies may have difficulty withstanding competition from larger more established companies in their industries.

Equity prices may fluctuate for several reasons, including changes in the financial condition of a particular issuer, investors' perceptions of the issuer's industry, the general condition of the relevant stock market, changes in interest rates, or when political or economic events occur. The dividend payable per share mainly depends on the issuer's activities, earnings and dividend policy. If the company makes a loss or a lower level of profit, or if the issuer's management decide to retain profits and reinvest them in the issuer's business, then dividend payments may be reduced or no payments may be made at all.

Preference shares

Holders of preference shares are entitled to a fixed dividend which must be paid before any dividends are paid to holders of ordinary shares. In addition, in a liquidation, holders of preference shares rank ahead of holders of ordinary shares as regards any return of capital. However, preference shareholders typically do not have voting rights.

Depositary Receipts

Depositary receipts are tradable instruments issued by a financial institution to represent an interest in an underlying equity share of a company listed in a foreign jurisdiction. They may be issued to facilitate investment in such overseas shares by investors based in the financial institution's jurisdiction. Depositary receipts expose their holder to the economic risks of the underlying equity share, although they may not confer the same rights on the holder as a direct holding in the underlying equity shares. They may also expose the holder to the risk of the issuing financial institution. For these and other reasons, there may be material differences in value between a depositary receipt and the underlying equity shares.

Warrants

A warrant is an instrument which grants its holder the right, but not the obligation, to buy or sell an underlying asset (such as a security) at a pre-agreed price, exercisable against the original issuer of that asset.

A relatively small change in the price of the underlying asset may cause a disproportionately large increase or decrease in the price of the warrant. Warrants may therefore be more volatile than the underlying asset.

The investor's right to buy or sell the underlying asset under the warrant will be limited in time. Failure to exercise the right within the stipulated time will result in the warrant becoming worthless. A warrant may also lose its value as it gets closer to the maturity date or if the volatility of the underlying asset decreases. An investor in a warrant is exposed to the risk of a total loss of the amount invested in the warrant, as well as any associated costs and charges.

If the warrant is exercised, the holder may be required to pay additional sums to the issuer to acquire the underlying asset. The acquisition of the underlying asset following the exercise of a warrant exposes the holder to all the risks attached to the underlying asset.

A warrant differs from an option in that a warrant is exercisable against the issuer of the underlying asset.

Financial Instruments subject to the BRRD resolution regime

The BRRD requires each EEA member state to establish a resolution authority with certain powers for the recovery and resolution of a Relevant Entity. You may be affected as a shareholder or creditor of a Relevant Entity if you hold certain Financial Instruments issued (e.g. shares, bonds or certificates) or entered into by a Relevant Entity or have a claim against a Relevant Entity as a contracting party (e.g. transactions subject to a master agreement for financial derivatives transactions) within the scope of the BRRD ("**Relevant Financial Instruments**").

Under the BRRD, resolution authorities have various resolution powers to manage a Relevant Entity which the resolution authority or competent authority determines to be *failing or likely to fail* (in accordance with specified criteria under the BRRD). Such resolution powers include:

- Amendment of terms and conditions: the amendment (except in relation to certain secured liabilities) of the maturity of Relevant Financial Instruments issued or entered into by a Relevant Entity or amendment or suspension of any amount of interest payable under such Relevant Financial Instrument;
- Asset separation: the transfer of assets, rights or liabilities to an asset management vehicle with the objective of maximizing their value until their future sale or liquidation;
- Bail-in: in whole or in part, the write-down and/or conversion into common equity of certain Financial Instruments or liabilities of the Relevant Entity in order to stabilise the Relevant Entity, subject to the proviso that certain liabilities are expressly excluded from write-down and conversion and further that a resolution authority may exercise discretion to exclude or partially exclude certain liabilities from write-down and/or conversion in prescribed circumstances under the BRRD;
- Bridge entity: the transfer of shares in the Relevant Entity or parts or whole of the Relevant Entity's assets or liabilities to a bridge entity; and
- Sale of business: the transfer of shares, assets, rights or liabilities of the failing Relevant Entity (in whole or in part) to a third party.

The impact of resolution powers on Relevant Financial Instruments, and liabilities or obligations of a Relevant Entity in resolution, will depend on the rank of the instrument, liability or obligation in the resolution creditor hierarchy. Within the scope of bail-in, Financial Instruments and liabilities are distinguished in different categories depending on a legal order of priority of liabilities. This order may change due to the specified order of preference for the bail-in tool or due to the introduction of preference in the hierarchy for deposits from certain persons (i.e. certain deposits protected under a deposit protection scheme).

The prices, volatility and liquidity of any market in Relevant Financial Instruments may be impacted by the use (or anticipated use) of any resolution powers. In particular, existing liquidity arrangements (e.g. re- purchase agreements by the issuing Relevant Entity) might not protect you from having to sell Relevant Financial Instruments at a substantial discount in case of financial distress of the issuing Relevant Entity. The use of any resolution powers may materially affect your rights under any Relevant Financial Instrument, reduce the market value of any Relevant Financial Instrument, and/or affect the Relevant Entity's ability to meet its payment and delivery obligations to creditors or to satisfy any liabilities or obligations it has. Your investment in Relevant Financial Instruments may therefore be written down to zero and you will lose the entire capital you have invested in that instrument. Even when you have not invested directly into such instruments, where you have invested into instruments which are exposed to such "in-scope" instruments, where such underlying instruments are subjected to "bail in" there may be an adverse impact to the value and return of your investments. The exercise of the "bail in" and other powers under the BRRD may not constitute an event of default under the terms of your investments and you will have limited recourse to challenge the use of such measures.

A creditor may have a right to compensation if the treatment it receives in resolution is less favourable than the treatment it would have received under normal insolvency proceedings of the Relevant Entity. This assessment must be based on an independent valuation of the Relevant Entity. Compensation payments, if any, may be considerably later than contractual payment dates (in the same way that there may be a delay in recovering value in the event of insolvency).

There may be similar legal or regulatory requirements relating to the recovery and resolution of failing institutions in non-EEA jurisdictions that also apply to you.

Illiquid markets

The market for some Financial Instruments may be restricted or illiquid. There may be no readily available market and from time to time there may be difficulty in dealing in such investments or obtaining reliable information about the value and extent of risks associated with such investments.

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

Derivatives risks

Derivatives are financial contracts whose value depend on, or are derived from, the value of an underlying asset, reference rate or index. Derivatives are typically used as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Derivatives can also be used to achieve leverage. Such exposure could magnify any potential negative impact of a change in the value of the underlying asset, reference rate or index. Use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described above, such as liquidity risk, and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Investing in a derivative instrument could cause you to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that you will be able to engage in these transactions to reduce exposure to other risks when that could be beneficial.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives instruments also involves certain special risks, including:

- dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;
- imperfect correlation between the price movements of the derivatives and price movements of related investments;
- the skills needed to use these instruments;
- the possible absence of a liquid market for any particular instrument at any particular time;
- possible losses arising from an unexpected application of law or regulation or arising as a result of the unenforceability of a contract; and
- the use of derivatives to hedge or protect against market risk or to generate additional revenue may reduce the opportunity to benefit from favourable market movements.

Derivative instruments permit a high degree of leverage and accordingly carry a high level of risk. A relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of funds actually placed as initial margin and may result in loss substantially exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter ("**OTC**") derivatives may involve additional risk as there may be no exchange market on which to close out an open position (including a loss-making position). As the terms of OTC transactions are not standardised and no centralised pricing source exists (as exists for exchange traded instruments), the transactions may be difficult to value. Different pricing formulas and financial assumptions may yield different values, and different financial institutions may quote different prices for the same transaction. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Certain derivatives may be subject to various regulatory requirements or market practices, including the requirement to provide or exchange margin.

Futures/Forwards/Forward rate agreements

Futures or forwards typically require a party to make, or to take, delivery of the underlying asset at a future date, or to settle the contract in cash. They carry a high degree of risk due to the leveraged nature of such instruments. A small investment in such instruments can result in large losses or gains. A small change in the price of the underlying asset can result in a proportionately large change in the value of the contract. Futures and forwards may be subject to margin requirements. Failure to satisfy any margin obligations may result in the close-out or transfer of the contract.

Options

Options are contracts giving one party (the buyer or holder) the right, but not the obligation, to buy an asset (a call option) or sell an asset (a put option) to the other party (the writer of the option) at a pre-agreed price (the strike price) up to a specified date (the expiration date) and for a specified quantity. Some options may be cash-settled.

Buying options is less risky than writing/selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the option's underlying is a futures contract and the option buyer exercises the option, they will be exposed to risks attaching to futures. The buyer of an option may be permitted to enter into the option on a margined basis, without having to pay the full premium. The buyer may be required to pay margin up to the level of the premium. Failure to do so may result in a close-out or liquidation of the option. The value received by the buyer of an option may not exceed the transaction costs and premium that the buyer has to pay, resulting in a loss.

Writing options is considerably riskier than buying options, as your loss may exceed any premium that you receive. You may be required to purchase or sell the underlying asset if the option is exercised against you, regardless of the loss you will incur. If the option writer already owns the underlying asset ('covered call options') the risk is reduced. Otherwise, the risk can be unlimited.

Traditional options: Certain London Stock Exchange member firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options, due to a number of factors, including the absence of two-way prices and the absence of an exchange on which to close out an open position or to undertake an opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage their exposure to risk.

Binary Options: A binary option is a type of option whereby the return is structured as "all or nothing" based on a pre-determined level of a reference price of the underlying asset at a specified time or date or during a specified range of dates or times. The return is fixed and payoff will occur automatically with no further action required from the investor. Binary options are exposed to fluctuations of the underlying asset price with profits capped at the specified rate at the time of entering into the investment. The trigger for any return may be dependent on small movements in price of the underlying reference assets. Investors should note that hedging and risk management transactions activities by market traders may disrupt the market and give rise to potential conflict of interest issues which may affect the underlying reference asset. Binary options are illiquid. Investors are usually unable to liquidate their investment prior to the expiry date or a trigger event prior to that date. The buyer of an option may be permitted to enter into the option on a margined basis, without having to pay the full premium. The buyer may be required to pay margin up to the level of the premium. Failure to do so may result in a close-out or liquidation of the option.

Contracts for differences

Contracts for differences are cash-settled instruments similar to derivatives such as options and futures, although contracts for differences can only be settled in cash. The risks of investing in contracts for differences are the same as those of investing in futures and options, including the contingent liability aspects.

Swaps

A swap is a derivative where two counterparties exchange one stream of cash flows against another stream, calculated by reference to an underlying such as indices, bonds, currencies, interest rates or commodities. A swap may also be combined with another derivative such as an option. Swaptions are transactions that give the purchaser of the swaption the right, against payment of a premium, to exercise or not to exercise, until the agreed maturity date, its right to enter into a pre-agreed swap. Caps, floors and collars are transactions that enable a party, against payment or receipt of a premium, to protect itself against, or to take an exposure on, the variation on the value or level of an underlying. A major risk of off-exchange derivatives, (including swaps) is counterparty risk, i.e., the failure by its counterparty to perform its obligations. There is no guarantee that a swap will have a liquid secondary market.

Foreign exchange (“FX”)

Engaging in FX trading (buying one currency in exchange for another) exposes investors to the risk of adverse changes in exchange rates. Exchange rates can be volatile and are driven by a variety of factors relating to the economies of the territories whose currencies are being traded. Some FX transactions may be leveraged and accordingly a small deposit or down payment can lead to large losses as well as gains. Some FX transactions have a contingent liability. BNY's insolvency or default, or that of any other parties involved with your FX transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. Further information on foreign exchange transactions can be found at: https://www.bny.com/corporate/global/en/disclaimers/foreign-exchange-disclosures.html.

OTC Markets Risk

Where you acquire securities on OTC markets (such as transactions off-exchange), there is no guarantee that you will be able to realize the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility. Such securities therefore carry greater risk than on-exchange trades in securities, due to their potential lower liquidity and/or higher volatility.

Absence of Regulation; Counterparty Default

In general, there may be less government regulation and supervision of transactions in the OTC markets (in which the majority of currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of Transactions entered into on Trading Venues (or non-EEA equivalents). In addition, many of the protections afforded to participants on some Trading Venues (or non-EEA equivalents), such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position.

The counterparty for these agreements will be the specific firm involved in the Transaction (which may be BNY, a BNY Affiliate or an unaffiliated third party) and accordingly the bankruptcy or default of the counterparty could result in you sustaining substantial losses. In addition, a counterparty may not settle a Transaction in accordance with its terms and conditions because the contract is not legally enforceable, because it does not accurately reflect the intention of the parties, because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a loss. To the extent that a counterparty defaults on its obligation and you are delayed or prevented from exercising your rights with respect to the Transaction, you may experience a decline in the value of your position, lose income and incur costs associated with asserting your rights.

Stock lending and repos

As a result of lending securities or entering into a repurchase transaction you will cease to be the owner of the relevant securities. These transactions involve the transfer by one party of title to securities to the other party. The transferor has the right to reacquire equivalent securities at a future date (or in certain circumstances their cash value or the proceeds of redemption). However, except to the extent that you have received collateral, your right to the return of securities is subject to the risk of insolvency or other non-performance by the borrower. These types of transactions also entail operational risks such as the non-settlement or delay in settlement of instructions. Since you are not the owner during the period securities are lent out, you will not have voting rights nor will you directly receive dividends or other corporate actions although you will normally be entitled to a payment from the borrower equivalent to the dividend you would otherwise have received and the borrower will be required to account for you for the benefit of corporate actions. Entering into securities lending or repurchase transactions may affect your tax position.

In addition, if the seller of securities under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the buyer will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the buyer's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a buyer may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the buyer may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated fixed income securities are securities rated below Baa by Moody's Investors Services, Inc., ("**Moody's**") or BBB by Standard & Poor's ("**S&P**"), or equivalent rating by an equivalent recognized rating agency. The lower ratings of certain securities reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such securities carry a higher degree of default risk which may affect the capital value of an investment. If the issuer of a fixed income security becomes insolvent, the holder of the security will rank ahead of holders of equity securities.

The inability (or perceived inability) of issuers to make timely payments of interest and principal may make the values of securities approximate only to the values placed on such securities. In the absence of a liquid trading market for securities, at times it may not be possible to establish the fair value of securities or to dispose of them.

The rating assigned to a security by Moody's, S&P or an equivalent recognized rating agency, does not reflect an assessment of the volatility of the security's market value or the liquidity of an investment in the security.

The volume of transactions effected in certain bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Even if general economic conditions do not change, the value of investments could decline if the particular industries, companies or sectors in which you invest do not perform well.

Fixed income securities may also be subject to price volatility due to such factors such as movements in interest rates and interest rate trends, market perception of the creditworthiness of the issuer, general market liquidity, and other economic factors, amongst other issues. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities/lower coupons tend to be more sensitive to interest rate movements than those with shorter maturities/higher coupons.

Certain fixed income securities may permit the issuer to redeem the security prior to maturity. Such early redemption rights may have an impact on the yield (and therefore investment returns) that a holder may ultimately achieve in buying and holding such a security.

High Yield/Sub-Investment Grade Securities

Lower-rated securities will usually offer higher yields than higher rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher- rated securities which react primarily to fluctuations in the general level of interest rates. During an economic downturn or a sustained period of rising interest rates, highly leveraged issuers of high yield securities may experience financial stress and may not have sufficient revenues to meet their interest payment or principal repayment obligations.

There are fewer investors in lower-rated securities, and so it may be harder to buy and sell securities at an optimum time due to low market liquidity.

Convertible Bonds

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, investments in convertible bonds may be exposed to equity movement and greater volatility than traditional bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable traditional bond investments. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

Contingent Convertible Securities Risk

Contingent convertible securities ("**CoCos**") are similar to convertible bonds (see '*Convertible Bonds'* above); however, with CoCos the likelihood of the bond converting into equity is "contingent" on a specified or pre-determined trigger event, such as the price of the embedded equity exceeding a particular level or if the issuer's regulatory capital ratio falls below a pre-determined level or when the relevant regulatory authority deems the issuer to be non-viable. Upon the trigger event occurring, the CoCo may be written down, written off or converted into equity without the investor's consent. In addition, the coupon payments on CoCos may be entirely discretionary. This means that coupon payments may be cancelled by the issuer at any point, for any reason, for any length of time and the amount of such coupon payment will not be recoverable. Certain CoCos are callable (i.e. redeemable) at the option of the issuer in its sole discretion and therefore, it cannot be assumed that CoCos will be redeemed on a call date and investors can expect calls to be extended. As a result, the investor may not receive return of principal if expected on a call date or indeed at any date. CoCos will, in the majority of circumstances, be issued in the form of subordinated debt instruments. Accordingly, in the event of an issuer insolvency prior to a conversion having occurred, the rights and claims of the holders of the CoCos against the issuer generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

Units in collective investment schemes/funds

Collective investment schemes allow a number of investors to pool their funds and have them managed by a professional investment manager. Such schemes may invest in a range of assets, including equity securities, fixed income securities, money market instruments, real estate and derivatives. Investors in collective investment schemes are therefore exposed economically to the risks attached to the assets in which the scheme invests, including the possibility that such assets may be illiquid and/or volatile. Collective investment schemes may reduce risk by spreading an investor's investment more widely than may be possible if the investor acquires the underlying assets directly.

Valuations of collective investment scheme may be based on unaudited financial records and accounts and/or preliminary calculations of net asset values. Such valuations may also be based on judgments as to the fair value of illiquid assets or assets for which reliable prices are difficult to obtain and are therefore liable to subsequent revision.

Collective investment schemes may employ a variety of strategies, such as margin loans, short-selling, derivatives, securities financing transactions, and the use of concentrated portfolios, each of which could magnify adverse market developments and losses.

An investor will not have control of the investments of the collective investment scheme (a fund) and there is no assurance that the investment objective and strategy of the fund will be successfully achieved. There may be additional costs involved when investing into funds. An investor's ability to realise an investment in a collective investment scheme may be subject to restrictions in accordance with the scheme's governing documents, including notice periods. There is also no guarantee that the funds will always have sufficient liquidity to meet an investor's redemption requests as and when made. There may be no secondary market in units of the collective investment scheme, rendering such units illiquid. You should refer to the prospectus or other offering document for the specific risks of investing in any collective investment scheme.

Money Market Instruments

Money market instruments comprise a variety of different forms of private or public sector short-term unsecured debt where money is raised for a certain period of time in exchange for a rate of interest. Public sector money market instruments are typically referred to as treasury bills, and comprise short term debt obligations issued by national or regional governments (or other public sector authorities), usually with a maturity (repayment date) of up to one year. Principal risks of treasury bills include (but are not limited to) non-repayment (although due to the credit quality of the issuers and the short-dated maturity, typically such risk is small) and changes in the market price of the instrument once acquired (market risk).

Private sector money market instruments most often comprise fixed-term deposits and 'commercial paper'. Unsecured fixed term deposits, often referred to (particularly in the United States) as certificates of deposits (CDs), typically involve the deposit of cash with a bank, generally attracting a fixed rate of interest. Due to the fixed-term nature of CDs, convertibility (the ability to 'cash-in' the CD) is restricted. A principal risk of CDs is non-repayment, however in many cases such deposits will be protected (up to certain amounts depending on the country) by governmental deposit protection schemes.

Commercial paper is a form of promissory note (a promise to repay), and generally issued by companies (which may or may not be banks or other financial institutions) as a means of raising short term funding. A principal risk of commercial paper is non-payment; unlike CDs, commercial paper is not protected by any governmental deposit protection scheme. Commercial paper is also a form of unsecured debt, meaning that the obligation of the issuer to repay the holder of the commercial paper/promissory note is not secured by the assets of the issuer.

Money market instruments issued by certain financial institutions may also be subject to bail-in (see '*Financial Instruments subject to the BRRD resolution regime*' above).

Structured products

Structured products, designed to fulfil a particular trading or market objective, may combine the features of two or more financial instruments such as a bond and a derivative, with derivatives tending to constitute an integral part of structured products. Certain structured products provide capital protection, whilst others provide conditional or no capital protection. The potential return from the structured product may be different to that which may be achieved as compared to directly holding the underlying asset. Structured products may involve an element of leverage, so a relatively small movement in the value of the relevant underlying asset or index can have a significant effect on the value of a structured product. Structured products are often high risk investments and investors can face the risk of losing some or all of the money invested in them. Structured products are generally not traded on regulated markets and investors take the risk on the counterparty creating the structure. In the absence of a recognised market for structured products, there can be limited liquidity in the secondary market and prices are less transparent than products traded in the primary market. It can be difficult for investors to obtain reliable information about the value of their investments and the extent of the risks to which they are exposed; the lack of a recognised market and the customised nature of structured products may also negatively affect the liquidity of the structured product. Further information about the specific risks associated with particular structured products may be made available prior to investment in a structured product.

Capital protection and/or guarantee

Some investments may be supported by some form of capital protection and/or government or private guarantee. Depending on the terms of investment, the capital protection component of a particular investment may be less than 100% of the capital invested and that capital protection may not mean a 100% repayment of the purchase price paid in the event of insolvency of counterparties or guarantors. These investments are subject to the full credit risk of the issuer and guarantor.

D. Risks of Certain Transactions and Services

Contingent Liability Transactions

Contingent liability transactions include transactions in instruments such as futures, contracts for differences and options. In such transactions, the investor may make a series of payments against the purchase price, rather than paying the entire purchase price upfront. As a result, the investor may lose the entirety of any sum (or margin) paid or deposited to establish or maintain a position in a contingent liability transaction. If the market moves against the investor, it may be called upon to provide additional margin at short notice to maintain the position. Failure to meet a margin call may result in its position being liquidated at a loss and the investor being responsible for any deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments beyond any amount to initiate the transaction.

Borrowings against investments, such as margin loans, expose the investor to the risk of losing more than the value of their investment. If the value of the investments securing the borrowing falls, the investor may be required to deposit additional assets or the investor's assets may be sold, without prior notice to the investor, to reduce the loan or pay it off, even if such sales involve selling the assets at a loss or at lower prices than under other circumstances. If the proceeds of sale are insufficient to discharge any loan or other amounts due, the investor remains liable for the shortfall. Contingent liability transactions which are not traded on or under the rules of a regulated market may expose the investor to substantially greater risks.

Short Sales

Selling "short" means to sell financial instruments that the investor does not own at the time of the sale. Short selling enables the investor to profit from falls in an instrument's price, although an increase in the price of the instrument after it is sold short will result in a loss. The loss will continue to increase as the instrument's price continues to increase until the investor covers the short.

Off-Exchange Transactions

Transactions which are not executed on an exchange may be exposed to substantially greater risks than on-exchange transactions.

Guaranteed Or Limited Liability Transactions

If an instrument benefits from a guarantee, the investor is exposed to the credit risk of the guarantor.

Before entering into a limited liability transaction, the investor should obtain from the firm a formal written statement confirming that the extent of the investor's loss liability on each transaction will be limited to an amount agreed by the investor before they enter into the transaction.

The amount the investor can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, the investor may sustain the loss in a relatively short time. Whilst the investor's loss may be limited, the risk of sustaining a total loss up to the amount agreed is substantial.

Commissions/Transaction Costs

When instruments are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the instrument. These incidental costs may significantly reduce or even exclude the profit potential of the instruments. To the extent that additional parties are involved in the execution of an order or clearing and/or settlement of a transaction, the investor may also be responsible for the fees and expenses of such parties.

In addition to costs directly related to entering into transactions, there may be follow-up costs, such as custody and settlement fees. The effect of transaction costs (for example on a new issue of securities) may result in the issue price of such securities falling below the market value when trading starts.

Suspensions Of Trading And Grey Market Investments

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, if the relevant instrument is suspended from trading or if the instrument is de-listed or otherwise subjected to restrictions preventing transactions. It may be impossible to execute stop-loss orders at the specified price. Accordingly, there is no guarantee that losses will be limited to the loss that would result from execution of a stop-loss order at its specified price.

Most electronic and auction trading systems are supported by computerised systems for order routing and trade checking, recording and clearing. These systems are subject to the risk of stoppages and malfunctions, which may result in the investor's orders not being executed in accordance with their instructions or remaining unexecuted.

Transactions may not be entered into in a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange. There may be insufficient published information on which to base a decision to buy or sell such securities.

Stabilisation

Stabilisation is a process, permitted by regulations subject to certain conditions, whereby the market price of a newly-issued security is allowed to be maintained at an artificial level during the period immediately following the new issue. This is to prevent the price of the security unduly dropping after issuance, such as due to selling pressure from short-term investors. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

Stabilisation is carried out by a 'stabilisation manager', which is usually the investment firm involved in bringing the security to the market. Such a firm is permitted to buy the newly issued securities to support their price, subject to meeting certain strict requirements. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

Appendix – Defined Terms

"**Applicable Regulation**" means the rules and regulation of any applicable Regulator, the rules of any relevant exchange and any other laws or regulations applicable to BNY in the provision of Services to you.

"**BNY**" has the meaning given to this term on page 3 of this Information Document.

"**BNY Affiliate**" means any entity in which The Bank of New York Mellon Corporation (a Delaware corporation with registered office at 240 Greenwich St, New York, New York 10286, U.S.A) controls (directly or indirectly) an interest of no less than 30% in the voting stock or interests in such entity.

"**BNY Europe Affiliate**" means each of the following entities and branches:

(a) The Bank of New York Mellon, Frankfurt and London branches;

(b) The Bank of New York Mellon SA/NV, and its Amsterdam, Copenhagen, Dublin, Frankfurt, Luxembourg, Madrid, Milan and Paris branches;

(c) The Bank of New York Mellon (International) Limited;

(d) Pershing Securities Limited; and

(e) Pershing Securities International Limited.

"**BRRD**" means the Bank Recovery and Resolution Directive II (Directive (EU) 2019/879 of the European Parliament and of the Council of May 20, 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC).

"**Client Money Rules**" refers to the rules governing the handling of client money, set out in the laws and regulations concerning the transposition of MiFID and the MiFID Delegated Directive in each jurisdiction applicable to BNYM.

"**CSSF**" means Luxembourg Commission de Surveillance du Secteur Financier.

"**Custody Rules**" refers to the rules relating to the custody of clients assets set out in the laws and regulation concerning the transposition of MiFID and the MiFID Delegated Directive in each jurisdiction applicable to BNYM.

"**Designated Reporter**" is defined in Article 1(5B) of the UK version of RTS 1.

"**RTS 1**" means Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing MiFIR.

"**EEA**" means the European Economic Area.

"**Elective Professional Client**" means a client categorized by BNY as a professional client following the client's request for it to be categorized in this way (generally or in respect of certain Investment Services or Transactions, or types of Transaction or product) and BNY's agreement to do so, and where the procedures and criteria set out in section II of Annex II of MiFID are fulfilled, which include (but are not limited to): (i) BNY's assessment of the expertise, experience and knowledge of the client giving BNY reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making investment decisions and understanding the risks involved; and (ii) the client satisfying at least two of the following criteria: (a) the client has carried out Transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters; (b) the size of the client's Financial Instrument portfolio, defined as including cash deposits and Financial Instruments, exceeds EUR 500,000, and (c) the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

"**Eligible Counterparty**" means a client classified by us in accordance with MiFID II as an eligible counterparty for the purposes of certain Services.

"**ESMA**" means the European Securities and Markets Authority.

"**Execution Venue**" means an execution venue as referred to in Article 64(1) of Commission Delegated Regulation (EU) 2017/565.

"**Financial Instrument**" means any of the following:

(a) Transferable securities;

(b) Money-market instruments;

(c) Units in collective investment undertakings;

(d) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

(e) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;

(f) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

(g) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in (6) above and not being for commercial purposes, which have the characteristics of other derivative financial instruments;

(h) Derivative instruments for the transfer of credit risk;

(i) Financial contracts for differences;

(j) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this definition, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF; and

(k) Emission allowances consisting of any units recognized for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

"**FOS**" means the UK Financial Ombudsman Service.

"**FSO**" means the Irish Office of the Financial Services Ombudsman.

"**Investment Advice**" means the provision of personal recommendations to a client in respect of one or more Transactions relating to Financial Instruments.

"**Investment Firm**" is a term defined in Article 4(1)(1) of MiFID which in summary means any legal person whose regular occupation or business is the provision or performance of one or more investment services and activities (listed in MiFID) to or with third parties on a professional basis. Each BNYM Europe Affiliate is an Investment Firm.

"**Investment Services**" means the provision or performance by an Investment Firm of any of the following services and activities for or with you in relation to any Financial Instrument:

(a) Reception and transmission of Orders;

(b) Execution of Orders on your behalf;

(c) Dealing on our own account with you with respect to an Order;

(d) Portfolio Management;

(e) Investment Advice;

(f) Underwriting of Financial Instruments and/or placing of Financial Instruments on a firm commitment basis;

(g) Placing of Financial Instruments without a firm commitment basis;

(h) Operation of an MTF; and

(i) Operation of an OTF.

"**Manufactured Distribution**" shall have the meaning given to such term in section 11A of this Information Document.

"**Market Transparency Requirement**" shall have the meaning given to this term in section 7 of this Information Document.

"**MiFID**" shall have the meaning given to this term on page 3 of this document.

"**MiFID II**" shall have the meaning given to this term on page 3 of this Information Document.

"**MiFID Delegated Directive**" means the Commission Delegated Directive (EU) supplementing MiFID with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.

"**MiFID Delegated Regulation**" means the Commission Delegated Regulation (EU), supplementing MiFID as regards organizational requirements and operating conditions for investment firms and defined terms for the purpose of MiFID.

"**MiFIR**" shall have the meaning given to this term on page 3 of this Information Document.

"**MTF**" means a multilateral system, operated by an Investment Firm or a market operator, which brings together multiple third-party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID.

"**Non-complex Instrument**" means a Financial Instrument which is considered to be non-complex for the purposes of Article 25(4)(a) of MiFID in accordance with Article 57 of MiFID Delegated Regulation which in summary includes:

(a) shares admitted to trading on a Regulated Market or on an equivalent third-country market or on a MTF, where those are shares in companies, and excluding shares in non-UCITS collective investment undertakings and shares that embed a derivative;

(b) bonds or other forms of securitized debt admitted to trading on a Regulated Market or on an equivalent third country market or on a MTF, excluding those that embed a derivative or incorporate a structure which makes it difficult for a client to understand the risk involved;

(c) money-market instruments, excluding those that embed a derivative or incorporate a structure which makes it difficult for a client to understand the risk involved;

(d) shares or units in UCITS, excluding structured UCITS (UCITS which provide investors, at certain predetermined dates, with algorithm-based payoffs that are linked to the performance, or to the realization of price changes or other conditions, of financial assets, indices or reference portfolios or UCITS with similar features);

(e) structured deposits, excluding those that incorporate a structure which makes it difficult for a client to understand the risk of return or the cost of exiting the product before term; and

(f) other non-complex Financial Instruments for the purpose of Article 25(4)(a) of MiFID.

"**Order**" means any instructions received by BNY from you or on your behalf, or generated by BNY for you on your behalf, in relation to a Transaction.

"**OTC**" means over the counter.

"**OTF**" means a multilateral system which is not a Regulated Market or an MTF and in which multiple third- party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID.

"**Per Se Professional Client**" means a client considered by BNY (in accordance with Annex II of MiFID) to possess the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs, based upon the client falling into one of categories set out in section I of Annex II of MiFID, which in summary includes: (i) entities which are required to be authorized or regulated to operate in the financial markets; (ii) undertakings whose assets and income meet or exceed minimum levels set out in MiFID II; (iii) national and regional governments, public bodies that manage public debt at national or regional level, central banks and international and supranational institutions; and (iv) other institutional investors whose main activity is to invest in Financial Instruments.

"**Portfolio Management**" means managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more Financial Instruments.

"**Professional Client**" means a client who has been classified by BNY as a professional client for the purposes of MiFID II, either on the basis of such client being a Per Se Professional Client or an Elective Professional Client.

"**Regulated Market**" means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in Financial Instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with Title III of MiFID.

"**Regulator**" means each of ESMA or any relevant applicable EEA or other competent regulatory authority regulating

BNY in any jurisdiction.

"**Relevant Entity**" means a credit institution or investment firm (or an EEA parent/subsidiary undertaking or certain other affiliates thereof, as applicable) within the scope of the BRRD.

"**Relevant Financial Instrument**" has the meaning set out in section 11B of this Information Document.

"**Retail Client**" means a client who has been classified by BNY as a retail client for the purposes of MiFID II. "**RTS 22**" means Commission Delegated Regulation supplementing MiFID and MiFIR with regard to regulatory technical standards for the reporting of transactions to competent authorities.

"**Service(s)**" means the provision or performance of any one or more Investment Services by BNYM. "**Systematic Internaliser**" is defined in Article 4(20) of MiFID as described in section 8 of this Information Document.

"**Trading Venue**" means a Regulated Market, an MTF or an OTF.

"**Transaction**" means a transaction resulting in the acquisition or disposal of a Financial Instrument.

"**Transaction Reporting Requirement**" shall have the meaning given to this term in section 7 of this Information Document.

"**UCITS**" means a collective investment scheme known as an Undertaking for Collective Investment in Transferable Securities, established and regulated under the European Union UCITS Directive (Directive 2009/65/EC as amended by Directive 2014/91/EU).

INFORMATION CLASSIFICATION: PUBLIC