

# A GUIDE TO SEPARATELY MANAGED ACCOUNT INVESTMENT OPPORTUNITIES

Available through  
BNY Advisor Services

## DEFINING SEPARATELY MANAGED ACCOUNTS

A separately managed account (SMA) is a portfolio of securities directly owned by the investor and managed according to a specific discipline or style by a professional investment manager.

An SMA offers you access to investment managers who may otherwise only manage assets for institutional clients.

As an account owner, you have the flexibility to customize your professionally managed portfolio by excluding certain securities, asset types or portfolio characteristics, or by employing tax-advantaged strategies.

Separately managed accounts can play an important role in an investor's portfolio because of the potential advantages they may offer over other types of investments. These customizable investment strategies are designed to help you pursue your specific financial goals by combining the benefits of professional money

management with the flexibility, control and potential tax advantages offered by owning individual securities as opposed to interests in a pool of securities.

Like mutual funds,\* for example, separately managed accounts offer professional portfolio management, but they also provide a number of features distinct from mutual funds, such as:

### 1 Portfolio Customization

- Take advantage of flexibility not usually available with mutual funds.
- Security selection parameters may be customized for the account. For example, it is possible to exclude certain securities or sectors due to individual, social, political or environmental concerns.

### 2 Tax Trading

- A BNY Advisor can help you manage your portfolio to help reduce tax liabilities.

- Pay taxes (in addition to income taxes, if any) only on the capital gains that are actually realized. Mutual funds must distribute at least 98% of capital gains earned by the fund before the end of each year to avoid the imposition of excise taxes. These distributions can be taxable even to the mutual fund shareholder who does not sell shares.

- Place assets into an account by transferring securities (from a brokerage or trust), rather than liquidating and being taxed on any capital gains (subject to portfolio manager discretion).

### 3 Other Features

- Separately managed accounts are not subject to the potential negative consequences of forced sales due to shareholder redemptions that a mutual fund may face.

\* Mutual funds are investment vehicles made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Features of mutual funds include a relatively low investment minimum, range of choices, ready liquidity at the then-current net asset value (NAV) and an annual operating expense ratio that directly impacts the fund's price, which varies by fund and does not include other fees. Pursuant to new SEC regulations, during times of severe market stress, money market fund investors may be subject to fees and/or gates on their redemptions. For a more detailed comparison of mutual funds and separately managed accounts, see the comparison table on page 4.

# BNY MANAGED ASSET PROGRAM

The BNY Managed Asset Program (the “Program”), a wrap-fee, investment advisory program, provides a comprehensive, disciplined strategy for helping you achieve your long-term investment goals. The Program is sponsored by BNY Mellon Securities Corporation, a registered investment adviser and broker-dealer, and offered through its BNY Advisor Services division.



## As a Program Customer, You:

- Have access to various separate account options (certain minimum investment amounts apply)
- Discuss your financial goals with a trained BNY Advisor
- Pay a single, asset-based fee (or “wrap fee”) for the Program\*

## Your BNY Advisor:

- Works with you to define and develop your specific financial goals and expectations
- Evaluates and recommends investment options
- Measures investment performance (where applicable) and monitors manager effectiveness regularly
- Proactively reviews your account on an ongoing basis

## Portfolio Management:

- Constructs your SMA portfolio based on your investment guidelines, risk tolerance and liquidity requirements. Our portfolio managers adhere to a rigorous risk-managed investment process. Your separately managed account will be carefully monitored, transparent and customized.

**Our BNY Advisors partner with you to address your individual needs and work toward your long-term financial goals.**

## The Program includes the following components:

Investment planning	Trade execution
Strategic recommendations	Performance measurement (where applicable)
Manager search and selection	

Rather than paying separately for each of these services, you will pay a single, asset-based fee — often referred to as a “wrap fee.”

\* Securities transactions for SMAs under the Program are processed through a separate brokerage account that Program clients must establish; the wrap fee excludes certain such brokerage account fees, and certain mutual fund and trading fees, if applicable.

## AT A GLANCE:

# SEPARATE ACCOUNTS VS. MUTUAL FUNDS

	Separate Accounts	Mutual Funds
<b>GENERAL FEATURES</b>		
<b>Account Minimum</b>	Often at least \$100,000 (with respect to the program, \$100,000 for the Customized Investment Series Portfolio. Municipal Bonds Series national portfolios require a \$300,000 minimum and state-specific portfolios require a \$500,000 minimum).	Often as little as \$1,000
<b>Access to Professional Money Managers</b>	Yes	Yes
<b>Number of Holdings</b>	Varies depending on asset size, asset class and investment strategy.	Varies depending on asset size, asset class and fund objective.
<b>Portfolio Customization</b>	Available. Investors can restrict specific securities or industries (and portfolio characteristics, if applicable) from their accounts.	Not available. Mutual funds offer broader choices as a result.
<b>Withdrawals/Redemptions</b>	Ready liquidity	Ready liquidity. In limited cases, fees/charges or redemption gates could apply.
<b>Liquidity</b>	Depending on the securities to be sold or redeemed, the associated trading may take up to five business days to complete, with the proceeds only available after final settlement.	Redemption orders received in proper form are processed at the close of that business day.
<b>TAX-RELATED FEATURES</b>		
<b>Security Ownership</b>	Investors own each individual security within an account. Sell decisions (and possible capital gains consequences) are based on each investor's goals, and are not affected by the redemption needs of investors in a pooled vehicle, such as mutual funds.	Investors own shares of a fund, which in turn owns the individual portfolio of securities. Significant redemptions or high turnover activity can potentially produce annual taxable distributions.
<b>Unrealized Capital Gains</b>	Capital gains may be realized or else harvested for future realization depending on investor needs and manager strategy.	Mutual funds must pass on at least 98% of all realized capital gains to investors (or pay a 4% federal excise tax) each year.
<b>Tax-Efficient Portfolio Customization</b>	Investors can sell securities to yield specific tax consequences; for example, to offset capital gains with capital losses.	Customization not available, although some funds are specifically managed for tax efficiency.
<b>REPORTING/COMMUNICATIONS</b>		
<b>Account Statements</b>	Investors typically receive detailed monthly statements, which include portfolio summary, account activity, asset valuation and cost basis reporting. SMA information is, however, generally not publicly accessible because it's personalized.	Investors typically receive detailed monthly or quarterly statements and annual/semiannual financial reports. Information is also readily available on web sites.
<b>COSTS/FEEES</b>		
<b>Total Expenses</b>	One single investment advisory fee or "wrap fee." (Please also refer to the footnote on page 3.)	Separate charges/fees for different services are borne as a single expense ratio. May also be subject to sales charges and/or distribution and servicing (12b-1) fees.

SEPARATE ACCOUNT PORTFOLIOS OFFERED  
THROUGH BNY MANAGED ASSET PROGRAM

# MUNICIPAL BOND SERIES

## Municipal Bond Separate Accounts

Insight North America LLC's ("Insight") municipal team is part of an experienced investment organization with depth and expertise across all sectors of the global fixed income market. Insight manages the portfolios in the BNY Managed Asset Program Municipal Bond Series. Insight is a wholly-owned subsidiary of BNY.

## Strategy

Insight's tax-sensitive team determines security selection through a bottom-up approach, with input and leadership from portfolio management, research and trading. Their strategy focuses on adding value by identifying what Insight believes are undervalued sectors and securities through intensive fundamental and quantitative analysis. Through their research expertise and trading acumen, they seek to achieve best execution on relative value opportunities rather than relying on interest-rate forecasting to deliver returns. Client portfolios are structured using a 10-year laddered-maturity, buy-and-hold approach. Each Client's portfolio is divided into ten approximately equal portions, with the holdings in each portion successively maturing in one year intervals.

## Features of Tax-Exempt Investing

1

Diversification

Investing in municipal bonds may diversify your portfolio, balancing it with other investments.

3

Single-State Options

In addition to national portfolios, California, New Jersey and New York single-state portfolios are available, which may help residents in those states lower their tax bill.

2

Tax Considerations

Investing in municipal bonds may allow you to avoid federal as well as state and local income taxes if you live in the issuing state.

4

Alternative Minimum Tax (AMT) Free

You can have the capability to build a municipal portfolio comprised of bonds that pay income that does not constitute a "preference item" for purposes of the federal AMT.

## Fee Schedule

The standard advisory fee schedule for the Municipal Bond Series is as follows:

Account Asset Tier	Annual Advisory Fee
First \$500,000	0.70%
Next \$500,000	0.65%
Next \$4,000,000	0.60%
All assets over \$5,000,000	0.50%



## In-Depth Expertise Across All Sectors of All Global Fixed Income Markets

Bond specialist backed by the resources of BNY

Capabilities across the global markets and the risk spectrum

Emphasis on fundamental research results in distinctive positions that can help reduce systematic risk

The minimum initial investment required to participate in the Municipal Bond Series national portfolios is \$300,000 and state-specific portfolios require a \$500,000 minimum.

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## CUSTOMIZED INVESTMENT SERIES

### Fayez Sarofim & Co. Large Cap Equity

Fayez Sarofim & Co.'s ("Sarofim") investment strategy focuses on what it believes are high-quality multinational companies that have established dominant positions in their markets. The integral part of the investment process can be broken into two vital activities, top-down vision and bottom-up stock selection, helping ensure that client portfolios possess the highest-quality companies as identified by Sarofim. This strategy is focused on domestically traded common stocks with large market capitalizations and high daily trading volumes. American Depositary Receipts, preferred stocks and foreign stocks may also be included.

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**FAYEZ SAROFIM  
& CO.**

### Invest in Businesses, Not the Stock Market

Sarofim chooses stocks based on the characteristics of the individual businesses, rather than on trying to predict what they believe are fluctuations in the stock market. Worded slightly differently, Sarofim focuses on what it views as reasonably valued businesses that can generate long-duration growth in earnings and dividends.

### Invest for the Long Term

As part of its commitment to disciplined investing, Sarofim buys stocks with the intent of holding them for long-term growth, as opposed to speculating on a stock's short-term potential. This has historically resulted in a low average annual portfolio turnover rate.

### Industry Leaders

Sarofim would rather invest in what it believes are quality businesses at good prices rather than average businesses at bargain prices.

**The firm looks for companies with the following criteria:**

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Management expertise	Financial strength
Predictable earnings growth	Industry leadership
Global prominence	

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### Fee Schedule

The standard advisory fee schedule for equity SMAs within the Customized Investment Series is as follows:

Account Asset Tier	Annual Advisory Fee
First \$1,000,000	1.50%
All Assets Over \$1,000,000	1.25%

The minimum initial investment required to participate in the Customized Investment Series is \$100,000.

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GLOBAL EQUITY INCOME ADR

BNY Mellon Securities Corporation provides day-to-day investment management services for BNY Managed Asset Program client accounts invested in the Global Equity Income ADR strategy, utilizing investment strategy guidance from Newton Investment Management Limited (“Newton”) as subadviser. Newton is a London-based global equity investment manager with over 45 years of experience managing \$101.8 billion in client assets as of December 31, 2024. Newton’s particular expertise focuses on absolute-return, income-focused, high-conviction and sustainable investing in specialist equity, fixed income and multi-asset portfolios. Newton has a single investment team working collaboratively across asset classes and regions with a clearly defined investment process. Newton’s investment process follows an active bottom-up approach against a backdrop of investment themes, which provide global, long-term perspective. Newton’s security selection process emphasizes detailed, fundamental valuation analysis.

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The minimum initial investment required to participate in the Customized Investment Series is \$100,000.



FEATURES

An actively managed portfolio of global equities

A focus on typically 40 to 70 global equity securities

Flexibility: the ability to invest anywhere around the world (max 30% in emerging markets)

Freedom from the benchmark index (MSCI World): no rigid industry, sector or region constraints

Strict yield discipline: may only invest in companies that yield at least 25% more than the benchmark

PORTFOLIO FEATURES

1 Investment Objective

The portfolio seeks total return (consisting of capital appreciation and income).

2 Strategy Type

Global equity income

3 Performance Aim\*

To achieve increasing annual distributions together with long-term capital growth from investing in global securities

\* There can be no assurance these performance objectives can be met.  
Subject to liquidity constraints.  
The MSCI World Index is used as a comparative index for this portfolio. The portfolio does not aim to replicate either the composition or the performance of the comparative index.

SEPARATE ACCOUNT PORTFOLIOS OFFERED  
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# PERSONAL BOND STRATEGY

Many individuals, especially retirees, want steady, predictable cashflows without losing flexibility. Traditional investment products may fall short, delivering inconsistent results. That's why we created the Personal Bond Strategy — a structured way to plan cashflows from your saved assets. The Personal Bond Strategy is managed by Insight, BNY's global fixed income specialist.

Your BNY Advisor can help you define your income needs, and we build a bond portfolio tailored to meet them. With US Corporate and Treasury bonds, your portfolio can provide stability, yield, and active management to help adapt to changing markets.

Need adjustments? You can update your cash flow profile, make additional contributions, or take unscheduled withdrawals. You stay in control, with the option to liquidate anytime. The Personal Bond Strategy can help bring clarity, confidence, and simplicity to your financial plan.

## PORTFOLIO FEATURES

### 1 Personal "Paychecks"

Portfolio of bonds selected to meet your "paycheck" needs — because your financial goals are unique.

### 2 Active Management

Portfolios are rebalanced over time to help enhance performance and keep you on track.

### 3 Flexible

Easily adjust cash flows, make contributions, take withdrawals or even liquidate as your needs change.

### 4 Strong Heritage

Insight Investment is a global leader in managing pensions while BNY brings over 150 years of retail expertise.



**Helping individuals receive steady, predictable cash flows from their saved assets**

## HOW PERSONAL BOND CAN HELP

Bridge strategy to delay Social Security income and help maximize lifetime benefit.

Cover expected essential living expenses, leaving other assets for potential market upside.

Support an ongoing charity or academic obligation, removing the risk of selling assets at the wrong time.

## Fee Schedule

The standard advisory fee schedule for the Personal Bond Strategy is 0.70%.



## LEARN MORE

For more information on the Separate Account Portfolios offered through the BNY Managed Asset Program, please contact your BNY Advisor or call 1-800-843-5466; visit [www.bny.com/investments](http://www.bny.com/investments) to learn more.

Investors should speak with their BNY Advisor, who can provide more information about the Program, including the fee schedule and services provided thereunder, and its appropriateness for your investment portfolio.

The BNY Managed Asset Program (the “Program”), a wrap-fee, investment advisory program, provides a comprehensive, disciplined strategy for helping you achieve your long-term goals. You will receive professional guidance from a BNY Advisor to help you develop a personalized investment plan. Investors should speak with their advisor, who can provide more information about the BNY Managed Asset Program and its appropriateness for your investment portfolio.

BNY Advisor Services is a division of BNY Mellon Securities Corporation (BNYSC), a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY). BNYSC is a dually registered investment adviser and broker-dealer and a member of FINRA.

BNY Investments is one of the world’s leading investment management organizations, encompassing BNY’s affiliated investment management firms and global distribution companies. BNYSC, Insight and Newton are BNY Investments firms. 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 subsidiaries generally.

Fayez Sarofim and Co. is a registered investment adviser and independent from, and not affiliated with, BNY Investments, BNYSC or any other BNY entity.

### RISKS

**Equities** are subject to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees. **Bonds** are subject to interest-rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can produce price declines. **Municipal income** may be subject to state and local taxes. **Capital gains**, if any, are taxable. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries.

**American depositary receipts (ADRs)** are certificates evidencing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institution. ADRs are alternatives to the purchase of the underlying securities in their original markets and currencies. ADRs are subject to many of the same risks as the foreign securities to which they relate.

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