

## Summary of the SEC's Money Market Fund Reforms

On July 23, 2014, the U.S. Securities and Exchange Commission (SEC) issued new rules governing the structure of money market funds ("MMFs") that became effective October 14, 2016. When the Commission's Adopting Release was published in the Federal Register, it established compliance dates for the new rules that extend from 2015 up to October 14, 2016. These compliance periods allowed Dreyfus time to work with its fund boards and intermediary partners to comply with the new rule changes in a manner that minimized disruption and continued to provide competitive and efficient cash management investment options.

Following is a high-level summary of the rule changes that have been implemented.

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For more information please contact your BNY Mellon Fixed Income Representative, or call 1-800-346-3621.

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**Investors should consider the investment objectives, risks, charges and expenses of any mutual fund carefully before investing. Contact your BNY Mellon Fixed Income Representative to receive a money market fund prospectus, or a summary prospectus, if available, that contains this and other information about a fund. Read it carefully before investing.**

# Summary of the SEC's Money Market Fund Reforms

Reform	Compliance Date	Description
<b>Floating Net Asset Value (FNAV) for Institutional Prime MMFs</b>	October 14, 2016	<p>Institutional Taxable Prime and Institutional Tax Exempt MMFs are now required to transact business at a floating, market-based NAV rather than at a fixed \$1 NAV.</p> <p><b>Basis point rounding.</b> Using a method of “basis point rounding,” FNAV MMF NAVs are now calculated to four decimal places for purposes of transactions in fund shares.</p> <p><b>Limit Use of Amortized Cost.</b> FNAV MMFs may use amortized cost under certain conditions to value portfolio holdings with remaining maturities of 60 days or less, but not for purposes of calculating the NAV.</p> <p><b>Tax and Accounting Implications</b></p> <ol style="list-style-type: none"> <li>The Department of the Treasury/IRS has proposed a simplified methodology for calculating gains and losses on FNAV MMF shares (the “NAV Method”). This methodology relies on changes in the aggregate value of the shares held in the FNAV MMF during the tax year and thus is dependent upon investor net asset flows over the year. Importantly, the proposal does not totally eliminate potential taxability for FNAV MMF share transactions.</li> <li>FNAV MMFs will not be subject to the “wash sale” rule (IRS 26 USC § 1091).</li> <li>FNAV MMFs will meet the definition of “cash equivalent” under GAAP.</li> </ol> <p><b>Proposed Exemptive Relief from Immediate Confirmation Delivery Requirements</b></p> <p>The SEC has proposed granting exemptive relief that would allow intermediaries, subject to a kind of “negative consent” procedure, to continue to be able to provide monthly summary account statements that reflect account activity over the period, rather than be subject to Exchange Act Rule 10b-10’s immediate confirmation delivery requirements on a transaction-by-transaction basis.</p>
<b>Stable Net Asset Value (CNAV) for Government/Treasury and Retail Prime MMFs</b>	October 14, 2016	<p><b>Government MMFs.</b> Funds characterized by (a) a constant net asset value (“CNAV”); (b) the requirement to invest at least 99.5% of the fund’s assets in cash, government securities, or repurchase agreements that are fully collateralized; (c) an exclusion under Rule 2a-7 from Fees and Gates structures; (d) valuing of portfolio holdings using the amortized cost method; and (e) pricing fund shares using the penny rounding method (to a \$1.00 per share price).</p> <p><b>Retail MMFs.</b> Funds characterized by (a) a constant net asset value (CNAV); (b) the fund having “policies and procedures reasonably designed to limit all beneficial owners of the fund to ‘natural persons’”; (c) being subject to Fees and Gates structures; (d) valuing portfolio holdings using the amortized cost method; and (e) pricing fund shares using the penny rounding method (to a \$1.00 per share price).</p>
<b>Standby Liquidity Fees</b> Applies to ALL MMFs except Government MMFs Note: Retail MMFs are not excluded from Fees and Gates requirements.	October 14, 2016	<p>The SEC has provided the ability for all MMFs to impose liquidity fees (of up to 2%) to help curb heavy redemptions during times of stress. A Government MMF is not subject to the requirement below unless the fund opts to implement fees and gates structures and disclose in its prospectus.</p> <ol style="list-style-type: none"> <li>Fund boards have discretion to impose a liquidity fee (up to 2%) if a fund’s level of Weekly Liquid Assets (“WLA”)* falls below 30% and the board determines that doing so is in the best interests of the fund.</li> <li>Fund boards will be required to impose a liquidity fee if a fund’s WLA level falls below 10%, unless the board determines that imposing the fee is not in the best interests of the fund or determines that a lower or higher fee is appropriate (not to exceed 2%).</li> <li>The fund must lift a liquidity fee automatically after the fund’s WLA level rises to or above 30% of its Total Assets. A money fund may also lift a liquidity fee under any circumstances if the fund’s board decides to modify the fee or determines that the fee is no longer in the best interests of the fund.</li> </ol>

\* Weekly Liquid Assets include cash, treasury securities and other government securities with remaining maturities of 60 days or less and securities readily convertible to cash within one week.

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<b>Redemption Gates</b> Applies to ALL MMFs except Government MMFs	October 14, 2016	<ol style="list-style-type: none"> <li>Fund boards have discretion to impose a redemption gate (i.e., suspend redemptions) if a fund's WLA level falls below 30% and the board determines that doing so is in the best interests of the fund.               <ul style="list-style-type: none"> <li>Gating is limited to 10 business days over any 90-day period.</li> </ul> </li> <li>The fund must lift a redemption gate automatically after the fund's level of WLA rise to or above 30% of its Total Assets. A money fund may also lift a gate if the board determines that the gate is no longer in the best interests of the fund.</li> <li>A board may permanently suspend redemptions and liquidate a MMF if the fund's WLA drop below 10% of its Total Assets.</li> </ol>
<b>Website Disclosure</b>	April 14, 2016	All MMFs are required to prominently disclose on websites the following information as of the end of each business day during the preceding six months: <ol style="list-style-type: none"> <li>The percentage of the fund's Total Assets invested in Daily Liquid Assets ("DLA" and WLA)</li> <li>The fund's daily net inflow or outflow</li> <li>The fund's current NAV per share rounded to four decimal places (as well as the market-based NAV for CNAV MMFs)</li> </ol> Other Website Disclosure — as applicable, and that must be retained for one year: <ol style="list-style-type: none"> <li>If a MMF's WLA fall below 10% of its total assets</li> <li>If a MMF imposes or lifts a liquidity fee or redemption gate</li> <li>If a MMF receives financial/sponsor support</li> </ol>
<b>New Form N-CR</b>	July 14, 2015	MMFs are now required to disclose on new Form N-CR certain material events. The Form will be filed with the SEC within one business day of such event occurring (in certain cases, a follow-up filing with additional information is required within four business days): <ol style="list-style-type: none"> <li>Default of a portfolio security that cause the market-based NAV to decline by ½ of 1% of the fund's Total Assets</li> <li>If a MMF receives financial/sponsor support</li> <li>Any instance where a MMF's market-based NAV declines by more than ¼ of 1%</li> <li>WLA decline to less than 10%</li> <li>WLA decline to less than 30% and a liquidity fee is imposed</li> <li>When a gate is imposed, or a fee or a gate is lifted</li> </ol>
<b>Diversification</b>	April 14, 2016	<ol style="list-style-type: none"> <li><b>Aggregation of Affiliates:</b> MMFs are now required to aggregate affiliated issuers to comply with the 5% issuer diversification limit.</li> <li><b>Elimination of the 25% Basket for MMFs:</b> The SEC removed the exception that allows 25% of a MMF's portfolio to be subject to guarantees or demand features from a single institution.               <ul style="list-style-type: none"> <li>Exception Made for Municipal MMFs — 15% Basket: Up to 15% of the value of securities held in a municipal MMF may be subject to guarantees or demand features from a single institution.</li> </ul> </li> <li><b>Asset-Backed Securities Guarantor Treatment:</b> MMFs are now required to treat sponsors of asset-backed securities as guarantors for purposes of calculating the 10% guarantor diversification limit (unless the board makes certain findings).</li> </ol>
<b>Enhanced Stress Testing</b>	April 14, 2016	Enhanced periodic testing to determine the fund's ability to maintain WLA of at least 10% and the fund's ability to minimize principal volatility in response to certain specific hypothetical scenarios; includes modified reporting requirements to the fund boards.
<b>Form N-MFP Amendments</b>	April 14, 2016	<ol style="list-style-type: none"> <li>MMFs are now subject to a range of new and revised reporting requirements as well as reporting certain items on a weekly (rather than monthly) basis.</li> <li>The 60-day delay in posting the Form on www.sec.gov was eliminated.</li> </ol>

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