A MESSAGE FROM DREYFUS TO FUND SHAREHOLDERS AND INTERMEDIARY PARTNERS ABOUT THE
MONEY MARKET FUND REFORMS ADOPTED TODAY BY THE SECURITIES AND EXCHANGE COMMISSION

At the July 23, 2014 Open Meeting of the five Commissioners of the U.S. Securities and Exchange Commission, the Commission voted to adopt a series of transformational amendments to the rules that govern money market funds (“MMFs”). The vote was not unanimous. Rather, the vote was 3-2 in favor of adoption and the two dissenting Commissioners voiced numerous concerns that have resonated across the industry during this reform debate.

Most significantly, and in our view against the weight of the evidence provided to the Commission by the 1400 commenters that participated in the comment letter process, the Commission adopted a “combination” approach, determining that (a) “Institutional Prime” MMFs will be required to transact at a variable net asset value (“VNAV”) and (b) all non-Government MMFs (i.e., including “Retail” funds as defined below), will be empowered with a new “liquidity fees and redemption gates” regime (“Fees and Gates”) for addressing heavy redemption activity during times of market stress (and, according to the Commission, that cannot be alleviated by a VNAV structure alone).

While Dreyfus expressly did not support a “combined approach,” or a VNAV solution in any form, we are pleased that the Commission recognized the transformational nature of these reform measures and provided a two year implementation period as well as used its best efforts to provide for tax and accounting relief that potentially, to some degree, will support the transition to a VNAV structure.

The exact compliance date will depend on the date the Commission’s “Adopting Release” is published in the Federal Register, but it can be expected to be sometime in July or August of 2016. The long compliance period will allow Dreyfus to continue to work with our MMF shareholders and intermediary partners, and in consultation with the various boards of directors for your MMFs, to design the Dreyfus MMF line-up in a manner that continues to meet your various cash management needs. In the interim, with this long transition period, please expect “business as usual” for your Dreyfus MMF.

We certainly will follow-up with more detailed and informational communications over the course of the next weeks and months, particularly after we've had time to digest the substance of the Adopting Release and the various proposals.

SUMMARY OF THE MMF REFORM MEASURES ADOPTED TODAY

Mandatory Transition to a VNAV for “Institutional Prime” MMFs.

1. “Institutional Prime” MMFs will be required to transition to a VNAV structure and transact at prices reflecting the market value of a fund’s shares to four decimal places.

2. Municipal (or “Tax Exempt”) MMFs were not excluded from the Commission's structural reforms. As a result, like institutional general purpose, taxable prime MMFs, institutional municipal/tax exempt MMFs also will be required to transition to a VNAV structure. We were disappointed that the Commission did not recognize the distinctive redemption history and the mixed shareholder base for Municipal MMFs in its deliberations.
3. **U.S. Government MMFs are excluded** from having to transition to the VNAV structure. As a result, Government MMFs will be able to continue to transact at a constant net asset value ("CNAV") of $1.00 per share.

   - The Commission revised its applicable “naming” requirements to provide that a Government MMF, in order to avail itself of this relief, must invest at least 99.5% of its assets in U.S. Government securities, cash, or repurchase agreements collateralized with U.S. Government securities.

   - **Government MMFs are not required to implement a Fees and Gates regime** unless a fund’s board of directors “opts-in” to such a regime and it is disclosed in the fund’s prospectus.

4. **Retail MMFs** also are excluded from having to transition to the VNAV structure. So, like U.S. Government MMFs, Retail MMFs will be able to transact at a $1.00 CNAV.

   - The Commission opted to define a “Retail” MMF as a fund that has implemented policies and procedures reasonably designed to limit all beneficial owners of the MMF to “natural persons.”

   - For purposes of defining the applicability of the VNAV requirement, an “Institutional” fund is a fund that is not a “Retail” fund by definition.

   - Importantly, though, Retail MMFs are not excluded from the Fees and Gates regime that was adopted. This means that while Retail MMFs will be able to transact at a $1.00 CNAV, they will be subject to a Fees and Gates regime.

**Critical Aspects of the VNAV Structure.**

1. **Tax and Accounting Relief.** One of the more controversial aspects of the VNAV alternative was the tax and accounting impact associated with a VNAV. In its proposal, the Commission did not provide for relief from the substantial burdens associated with tracking and reporting numerous transactions (perhaps, hundreds annually on a per account basis) that normally would reflect only de minimis gains and losses on MMF share transactions.

   We were pleased that the Commission announced that the Department of the Treasury will propose new regulations to allow VNAV MMF investors to use a simplified tax accounting method to track gains and losses that could be used beginning today. Purportedly, the proposed regulation will eliminate the need to track individual purchase and sale transactions for tax reporting purposes. We understand that this is a significant predicate for reasonable client acceptance of a VNAV MMF. We will continue to monitor Treasury’s rule proposal and work to insure that it will in fact provide the relief the MMF industry needs to potentially support a transition to a VNAV structure.

   In addition, the Internal Revenue Service is expected to issue a new revenue procedure that will provide relief from the “wash sale” rule for any losses incurred on VNAV shares. While Dreyfus supported that proposal when released in 2013, we recognized that, while useful, it was insufficient to support a transition to a VNAV without the type of tax relief purportedly coming from Treasury.

   Finally, the Commission announced that VNAV MMF will constitute “cash equivalents” for accounting purposes. We appreciate the Commission’s express statement in this regard.

2. **Basis Point Rounding to Four Decimal Places.** The Commission will require VNAV MMFs to price their shares using a basis point rounding method to the nearest 1/100th of 1%. Functionally, this requires VNAV MMFs to transact at market prices out to four decimal places. We were disappointed that the Commission did not recognize the implications of this decision relative to pricing out to three decimal places, as all other mutual funds are permitted to do currently.

3. **Exemptive Relief from Certain Transaction Confirmation Requirements.** The Commission voted to approve proposing exemptive relief that will allow broker-dealers to avoid the “immediate delivery” requirements for transaction confirmations otherwise required by Rule 10b-10 under the Securities Exchange Act of 1934 for transactions in VNAV MMFs. This decision is aimed at providing some operational and cost relief for VNAV MMF distributors.
Fees and Gates in Combination with the VNAV Structure.

Contrary to near overwhelming, well-reasoned opposition to the proposal, the Commission voted to approve Fees and Gates in combination with a VNAV structure for VNAV MMFs. Moreover, the Commission took an additional step and adopted a Fees and Gates regime as a stand-alone reform for Retail MMFs. Again, Government MMFs are excluded from this regime. The Commission provided more power to fund boards to impose Fees and Gates and lessened the “objective triggers” that might require a liquidity fee, as compared with the Commission's 2013 proposals.

1. **Liquidity Fees.**
   - The Commission has provided the discretionary authority for MMF boards to impose a liquidity fee of up to 2% if a MMF's “Weekly Liquid Assets” decline below 30%. Accordingly, MMF boards may or may not act on this authority, depending on market conditions and the best interests of fund shareholders.
   - A MMF must impose a 1% liquidity fee if the fund's Weekly Liquid Assets decline below 10%, unless the fund's board determines otherwise.
   - In each case, the liquidity fee will stay in effect until the fund's Weekly Liquid Assets percentage exceed 30%.

2. **Redemption Gates.**
   - The Commission has provided the discretionary authority for MMF boards to suspend redemptions for up to 10 business days, over any 90-day period, if a MMF's “Weekly Liquid Assets” decline below 30%. Again, MMF boards may or may not act on this “gating” authority, depending on market conditions and a finding of acting in the best interests of the fund.
     - The board will have the option of lifting the gate before completion of the maximum 10-business day period.
     - Gating is not tied directly to organically repairing a fund's Weekly Liquid Assets percentage to above 30%.
     - Gates can be implemented in combination with liquidity fees.

Amortized Cost for CNAV MMF.

For CNAV MMFs, the Commission preserved the use of amortized cost method for pricing CNAV MMF shares. We are pleased that the Commission reversed itself and preserved amortized cost as a means of preserving the critical same-day liquidity feature for these funds.

References to Credit Ratings.

The Commission voted unanimously to re-issue a proposing release to remove all references to credit ratings in Rule 2a-7, as required by the Dodd-Frank Act. This continues an endeavor begun by the Commission in 2011. Basically, the proposal will seek to replace credit rating requirements with a finding (by the fund's board) that an issuer has “exceptionally strong capacity to meet its obligations.”

We await publication of this Proposing Release and we will communicate further with you on this matter after we have reviewed the substance of the proposals.

WHAT DOES ALL THIS MEAN FOR OUR FUND SHAREHOLDERS AND CLIENTS?

Since 2009, when money market reform was first contemplated, Dreyfus has actively participated in the public debate over how to re-shape the money market fund industry in a manner that furthers the Commission's goals of reducing the systemic risk that money market funds may pose while preserving the utility of MMFs for investors. We submitted several comment letters during this time providing anecdotal evidence and reasoned thought on how to balance these objectives.
While we are disappointed in the outcome of some of the Commission’s determinations and pleased with others, we hope that, as we work to implement these reforms, on balance the result is not “unbalanced” and that the utility of MMFs in fact is not impacted severely. We recognize that the combination of these structural requirements poses the most substantial challenges for shareholders and intermediaries alike and we are committed to working closely with you to discuss solutions that will serve your MMF needs.

In the near term, then, we ask that you consider the following:

1. The compliance period is two years for transition to a VNAV structure and a Fees and Gates regime, meaning that you can expect business as usual for the foreseeable future with your fund investment until and unless we contact you to the contrary. Any structural changes will require substantial, thoughtful planning, as well as the participation of your MMF’s board of directors.

2. The “Adopting Release” describing the Commission’s action on MMF Reform has not been released yet. Like the “Proposing Release” we expect it to be voluminous and complex, requiring careful review to accurately understand every aspect of these new rules. Again, over the course of this time, we will stay in touch with you.

3. The “unknown” of tax relief suggests that the Commission’s work is not done in this regard. At the Open Meeting, the Commissioners committed to revisiting these reforms if the purported tax relief from Treasury turns out to be less than optimal. Again, we will monitor this situation. Once Treasury’s tax relief proposal and the Commission’s Adopting Release are published, we will review them and continue our dialogue with you accordingly.

4. If you have questions, talk with your Dreyfus Representative and check dreyfus.com for updates. We expect to communicate with clients and shareholders frequently over the course of this compliance period.

5. Understand that this process requires the involvement of your fund’s Board of Directors. Many of these structural reforms will require Board approval to implement. You can be assured that your respective fund’s Board of Directors will act in the best interests of fund shareholders within the context of the new regulatory environment.

Dreyfus remains committed to serving its MMF shareholders and clients during this uncertain time. We look forward to continuing to work with and speaking with you all. Thank you for your support.

Investors should consider the investment objectives, risks, charges, and expenses of a money market fund carefully before investing. Call your BNY Mellon Fixed Income representative or download from dreyfus.com a prospectus, or a summary prospectus, if available, that contains this and other information about the fund, and read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation, or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in a money market fund. Fund yields fluctuate.

Short-term corporate, asset-backed and municipal securities holdings (where applicable), while rated in the highest rating category by one or more NRSRO (or if an unrated municipal, deemed of comparable quality by Dreyfus), involve additional credit and liquidity risks and risk of principal loss.