

## Frequent Trading

Frequent, large, or short-term transfers among separate accounts or subaccounts (“subaccounts”) and the fixed account/money market, such as those associated with “market timing” transactions, can affect the funds and their investment returns. Such transfers may dilute the value of the fund shares; interfere with the efficient management of the fund portfolio, and increase brokerage and administrative costs of the fund. In an effort to protect our contract owners and the funds from potentially harmful trading activity, we utilize certain market timing and frequent trading policies and procedures (the “Market Timing Procedures”). Our Market Timing Procedures are designed to detect and prevent such transfer activity amongst the investment options, including the subaccounts and the fixed account that may affect other contract owners or fund shareholders. In addition, the underlying funds may have their own policies and procedures with respect to frequent purchases and redemptions of their respective shares, which may be more or less restrictive than the frequent trading policies and procedures of other funds and the Market Timing Procedures we have adopted to discourage market timing and frequent transfers among subaccounts. Contract owners and other persons with interests under the contracts should also be aware that we have the contractual authority and the operational capacity to apply the frequent trading policies of the funds, in addition to the Market Timing procedures described below.

Our Market Timing Procedures detect potential “market timers” and frequent traders by reviewing the number of transfers made by contract owners within given periods of time. Any trade between subaccounts which attempts to capitalize upon short-term movements in the equity markets will be subject to scrutiny. Trades in excess of 1 (one) within a rolling 30-day period could result in a contract owner being identified as a potential market timer or frequent trader and may result in future trading restrictions being placed on their contract or account. For purposes of this review process, a “trade” constitutes a unique trading day. Money may actually be moved amongst several subaccounts, with multiple “sell” orders and multiple “buy” orders, and still count as one “trade”, if all such movements are executed with the same trading day.

The following are generally not considered trades capitalizing upon short term market movements:

- Monthly or quarterly rebalancing of subaccounts
- Occasional re-allocation of subaccounts

We may increase our monitoring of contract owners who we have previously identified as market timers or frequent traders. When applying the parameters used to detect market timers, we will consider multiple contracts owned by the same contract owner if that contract owner has been identified as a market timer or frequent trader. For each contract owner, we will investigate the transfer patterns that meet the parameters used to detect potential market timers and frequent traders. We will also investigate any patterns of trading behavior identified by the funds that may not have been identified by our Market Timing Procedures.

In our sole discretion, we may revise our Market Timing Procedures at any time without prior notice as necessary to better detect and deter, frequent, large, or short-term transfer activity to comply with state or federal regulatory requirements, and/or to impose additional or alternate restrictions on market timers/frequent traders. If we modify our Market Timing Procedures, they will be applied uniformly to all contract owners or as applicable to all contract owners investing in underlying funds.

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