

## *FASCore Documentation*

FUNCTIONAL PROCESS: Fixed & Funds Trade Restrictions

PROCEDURE: Market Timing / Excessive Trading

DATE: October 18, 2006

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### Overview

These procedures cover the steps for restricting trading in a participant account due to market timing and/or excessive trading on the Fixed & Funds line of business. For MetLife funds please refer to the Variable Annuity trade restrictions procedures.

### Procedure

#### I. Fund Company Restrictions

- A. Upon notification by a fund company that suspects a participant is market timing in its fund, FASCore will provide a report of the trading activity to the fund company and request its determination as to whether such activity constitutes prohibited trading according to that fund company's definition of prohibited trading.
- B. If, based on the information provided, the fund company determines that the trading activity constitutes prohibited trading, FASCore will contact the individual in writing to request that the individual stop prohibited trading immediately (unless the applicable fund requires that restrictions be implemented immediately without warning, in which case the trading restriction will be implemented immediately and written notice of this restriction will be provided to the individual, MetLife, and the plan, if applicable).
- C. A subsequent report of trading activity will then be provided to the fund company.
- D. If, based on the second report, the fund company determines that the individual has not ceased prohibited trading, and upon the request of the fund company, FASCore will inform the individual in writing (as well as notify MetLife) of the trading restriction that will apply. Unless the plan sponsor instructs us otherwise, the trading restriction will apply.
  1. Trading Restriction: The individual shall be restricted from making transfers TO the identified fund(s) via any method (including the web, voice response unit (VRU), call center, facsimile or paper) for the period of time required by MetLife.
  2. Individuals are always permitted to make transfers OUT of the identified fund(s) to other available, non-restricted investment options.
  3. When the restriction period has been met, the individual will automatically be allowed to resume purchases into the identified fund(s). When the restriction period has been met, the individual will automatically be allowed to resume purchases into the identified fund(s).

#### II. Variable Annuity Fund Restrictions

- A. Please refer to the Variable Annuity (MetLife Funds) Trade Restrictions procedures.