

Mississippi Deferred Compensation Plan and Trust

“Excessive Trading” Policy

The Mississippi Deferred Compensation Plan and Trust (MDCPT) has adopted this Excessive Trading Policy to respond to the demands of the various fund families which make their funds available through its Plan, to restrict excessive fund trading activity, and to ensure compliance with Section 22c-2 of the Investment Company Act of 1940, as amended. MDCPT’s current definition of Excessive Trading and our policy with respect to such trading activity is outlined below.

1. SBA, as third party administrator of the MDCPT, actively monitors fund transfer and reallocation activity within the Plan to identify Excessive Trading.

MDCPT currently defines Excessive Trading as:

- a. More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a “round-trip”). This means two or more round-trips involving the same fund within a 60 calendar day period would meet MDCPT’s definition of Excessive Trading; or
- b. Six round-trips within a twelve month period.

The following transactions are excluded when determining whether trading activity is excessive:

- a. Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
- b. Transfers associated with scheduled dollar cost averaging, scheduled rebalancing or scheduled asset allocation programs;
- c. Purchases and sales of fund shares in the amount of \$5,000 or less;
- d. Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
- e. Transactions initiated by the MDCPT.

2. If SBA determines that an individual has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, SBA will send them a letter warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU), telephone calls to the SBA Customer Service Center, or other electronic trading medium that SBA may make available from time to time (“Electronic Trading Privileges”). Likewise, if SBA determines that an individual has made five round-trips within a twelve month period, SBA will send them a letter warning that another purchase and sale of that same fund within twelve months of the initial purchase in the first round-trip in the prior twelve month period will be deemed to be Excessive Trading and result in a six month suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of the warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual. A copy of the warning letters and details of the individual’s trading activity may also be sent to the fund whose shares were involved in the trading activity.

3. If SBA determines that an individual has used one or more products to engage in Excessive Trading, SBA will send a second letter to the individual. This letter will state that the individual's Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those which involve the fund whose shares were involved in the Excessive Trading activity, will then have to be initiated by providing written instructions to SBA via regular U.S. mail. Overnight mail or any other form of overnight deliveries, are not permitted. During the six month suspension period, electronic "inquiry only" privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual's trading activity may also be sent to the fund whose shares were involved in the Excessive Trading activity.
4. Following the six month suspension period during which no additional Excessive Trading is identified, Electronic Trading Privileges may again be restored. SBA will continue to monitor the fund transfer and reallocation activity, and any future Excessive Trading will result in an indefinite suspension of the Electronic Trading Privileges. Excessive Trading activity during the six month suspension period will also result in an indefinite suspension of the Electronic Trading Privileges.
5. MDCPT reserves the right to limit fund trading or reallocation privileges with respect to any individual, with or without prior notice, if MDCPT determines that the individual's trading activity is disruptive, regardless of whether the individual's trading activity falls within the definition of Excessive Trading set forth above. Also, MDCPT's failure to send or an individual's failure to receive any warning letter or other notice contemplated under this Policy will not prevent MDCPT from suspending that individual's Electronic Trading Privileges or taking any other action provided for in this Policy.
6. Each fund available through the MDCPT, either by prospectus or stated policy, has adopted or may adopt its own excessive/frequent trading policy. MDCPT reserves the right, without prior notice, to implement restrictions and/or block future purchases of a fund by an individual who the fund has identified as violating its excessive/frequent trading policy. All such restrictions and/or blocking of future fund purchases will be done in accordance with the directions MDCPT or SBA receives from the fund.