

investment advisers, affiliated persons of registered investment advisers, and entities seeking to avoid investment adviser status, among others. Commission staff estimates that it receives approximately 9 applications per year submitted under rule 0-4 of the Act. Although each application typically is submitted on behalf of multiple applicants, the applicants in the vast majority of cases are related entities and are treated as a single respondent for purposes of this analysis. Most of the work of preparing an application is performed by outside counsel and, therefore, imposes no hourly burden on respondents. The cost outside counsel charges applicants depends on the complexity of the issues covered by the application and the time required. Based on conversations with applicants and attorneys, the cost ranges from approximately \$7,000 for preparing a well-precedented, routine application to approximately \$80,000 to prepare a complex or novel application. We estimate that the Commission receives 2 of the most time-consuming applications annually, 4 applications of medium difficulty, and 3 of the least difficult applications subject to rule 0-4. This distribution gives a total estimated annual cost burden to applicants of filing all applications of \$355,000  $[(2 \times \$80,000) + (4 \times \$43,500) + (3 \times \$7,000)]$ . The estimates of annual burden hours and costs are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms.

The requirements of this collection of information are required to obtain or retain benefits. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, VA, 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 23, 2007.

**Florence E. Harmon,**  
Deputy Secretary.

[FR Doc. E7-14630 Filed 7-27-07; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-27909; File No. 812-13346]

### MONEY Life Insurance Company of America, et al.; Notice of Application

July 24, 2007.

**AGENCY:** Securities and Exchange Commission ("SEC" or the "Commission").

**ACTION:** Notice of application for an order pursuant to section 26(c) of the Investment Company Act of 1940 ("1940 Act"), approving certain substitutions of securities and for an order of exemption pursuant to section 17(b) of the 1940 Act.

**APPLICANTS:** MONEY Life Insurance Company of America ("MLOA"), MONEY Life Insurance Company ("MONEY"), MONEY America Variable Account A ("MLOA Separate Account A"), MONEY America Variable Account L ("MLOA Separate Account L") (together, "MLOA Separate Accounts"), MONEY Variable Account A ("MONEY Separate Account A"), MONEY Variable Account L ("MONEY Separate Account L") (together, "MONEY Separate Accounts"), AXA Equitable Life Insurance Company ("AXA Equitable"), Separate Account A of AXA Equitable ("Separate Account A"), Separate Account FP of AXA Equitable ("Separate Account FP"), Separate Account I of AXA Equitable ("Separate Account I"), Separate Account No. 45 of AXA Equitable ("Separate Account 45"), Separate Account No. 49 of AXA Equitable ("Separate Account 49") and Separate Account No. 301+ of AXA Equitable ("Separate Account 301+") (each, an "AXA Equitable Separate Account" and together, "AXA Equitable Separate Accounts") (collectively, the "Section 26 Applicants"), Separate Account No. 66 of AXA Equitable ("Separate Account 66") and EQ Advisors Trust (the "Trust") (together with the section 26 Applicants, the "section 17 Applicants").

**SUMMARY OF APPLICATION:** The Section 26 Applicants request an order pursuant to section 26(c) of the 1940 Act, approving the proposed substitution of shares of certain series of the Trust (which is a registered investment company that is an affiliate of the Section 26 Applicants), Franklin Templeton Variable Insurance Products Trust ("Franklin VIT") and Variable Insurance Products Fund II ("Fidelity VIT") (together, Franklin VIT and Fidelity VIT, the "Outside VITs") for shares of other registered investment companies unaffiliated with the section 26 Applicants (the "Substitutions"), each of which is currently used as an underlying investment option for certain variable annuity contracts and/or variable life insurance policies issued by the Insurance Companies ("Contracts").<sup>1</sup> The section 17 Applicants also request an order pursuant to section 17(b) of the 1940 Act exempting them from section 17(a) of the 1940 Act to the extent necessary to permit partly in-kind redemptions of securities issued by certain Removed Portfolios (as defined herein) and purchases of securities issued by certain Replacement Portfolios (as defined herein) (the "In-Kind Transactions") in connection with the Substitutions.

**FILING DATE:** The application was filed on November 22, 2006, and amended on July 20, 2007. Applicants have agreed to file an amendment during the notice period, the substance of which is contained in this notice.

#### HEARING OR NOTIFICATION OF HEARING:

An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 16, 2007, and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street,

<sup>1</sup> AXA Equitable, MLOA and MONEY are sometimes referred to herein collectively as the "Insurance Companies" and individually as an "Insurance Company." The MLOA Separate Accounts, MONEY Separate Accounts and AXA Equitable Separate Accounts are sometimes referred to herein collectively as the "Separate Accounts" and individually as a "Separate Account."

NE., Washington, DC 20549–1090. Applicants, c/o AXA Financial, Inc., 1290 Avenue of the Americas, New York, NY 10104, Attn: Steven M. Joenk, Senior Vice President.

**FOR FURTHER INFORMATION CONTACT:**

Sonny Oh, Staff Attorney, or Zandra Bailes, Branch Chief, Office of Insurance Products, Division of Investment Management at (202) 551–6795.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch, 100 F Street, NE., Room 1580, Washington, DC 20549 (tel. (202) 551–8090).

**Applicants' Representations**

1. MLOA is a stock life insurance company organized in 1969 under the laws of the State of Arizona. The principal office of MLOA is located at 1290 Avenue of the Americas, New York, NY 10104. MLOA is licensed to sell life insurance and annuities in 49 states (not including New York), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. AXA Financial, Inc. ("AXA Financial") is the parent company of MLOA.

2. MONY is a stock life insurance company organized in 1998 under the laws of the State of New York. Prior to 1998, MONY operated as The Mutual Life Insurance Company of New York, a mutual life insurance company. The principal office of MONY is located at 1290 Avenue of the Americas, New York, NY 10104. MONY is licensed to sell life insurance and annuities in 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. AXA Financial is the parent company of MONY.

3. AXA Equitable is a New York stock life insurance company that has been in business since 1859 (including the operations of its predecessors). Its home office is located at 1290 Avenue of the Americas, New York, New York 10104. AXA Equitable is authorized to sell life insurance and annuities in all fifty states, the District of Columbia, Puerto Rico and the Virgin Islands. It maintains local offices throughout the United States. AXA Equitable is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and is a wholly owned subsidiary of AXA Financial.

4. MLOA serves as depositor for MLOA Separate Account A and MLOA Separate Account L, which fund certain Contracts. MLOA Separate Account A and MLOA Separate Account L were established under Arizona law in 1987 and 1985, respectively, pursuant to

authority granted by MLOA's Board of Directors. Each MLOA Separate Account is a segregated asset account of MLOA and is registered with the Commission as a unit investment trust under the 1940 Act. Units of interest in the MLOA Separate Accounts under the Contracts are registered under the Securities Act of 1933, as amended ("1933 Act").

5. MONY serves as depositor for MONY Separate Account A and MONY Separate Account L, which fund certain Contracts. MONY Separate Account A and MONY Separate Account L were each established under New York law in 1990 pursuant to authority granted by MONY's Board of Trustees. Each MONY Separate Account is a segregated asset account of MONY and is registered with the Commission as a unit investment trust under the 1940 Act. Units of interest in the MONY Separate Accounts under the Contracts are registered under the 1933 Act.

6. AXA Equitable serves as sponsor and depositor for Separate Account A, Separate Account I, Separate Account 45, Separate Account 49, Separate Account 301+, Separate Account 66, and Separate Account FP, which fund certain Contracts. Separate Account A, Separate Account I, Separate Account 45, Separate Account 49, Separate Account 301+, and Separate Account 66 were established in 1968, 1996, 1994, 1996, 1981, and 1997, respectively, pursuant to authority granted by AXA Equitable's Board of Directors. Separate Account FP was established in 1995 pursuant to authority granted by the Board of Directors of AXA Equitable in connection with the merger of Equitable Variable Life Insurance Company with and into AXA Equitable. Each AXA Equitable Separate Account is a segregated asset account of AXA Equitable and, except for Separate Account 66, is registered with the Commission as a unit investment trust under the 1940 Act. Separate Account 66 is excluded from registration under the 1940 Act pursuant to section 3(c)(11) of the 1940 Act. Units of interest in each AXA Equitable Separate Account are registered under the 1933 Act.

7. The Trust is organized as a Delaware statutory trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the 1933 Act on Form N-1A. It commenced operations on May 1, 1997. The Trust is a series investment company and currently offers 65 separate series (each a "Portfolio" and collectively, the "Portfolios"). AXA Equitable currently serves as investment manager

("Manager") of each of the Portfolios. The Trust has received an exemptive order from the Commission ("Multi-Manager Order") that permits the Manager, or any entity controlling, controlled by, or under common control (within the meaning of Section 2(a)(9) of the 1940 Act) with the Manager, subject to certain conditions, including approval of the Board of Trustees of the Trust, and without the approval of shareholders to appoint, dismiss, or replace investment sub-advisers ("Advisers") and to amend Investment Advisory Agreements ("Advisory Agreements").<sup>2</sup> If a new Adviser is retained for a Portfolio, Contract owners would receive notice of any such action.

8. The Franklin VIT is organized as a Massachusetts business trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the 1933 Act on Form N-1A. It was organized on April 26, 1988. The Franklin VIT is a series investment company and currently offers 20 separate series. Each Franklin VIT portfolio is managed by an affiliate of Franklin Templeton Investments. The Franklin VIT employs Advisers for certain of its portfolios, but, to the Applicants' knowledge, has not been granted a Multi-Manager Order by the Commission.

9. The Fidelity VIT is organized as a Massachusetts business trust. It is registered as an open-end management investment company under the 1940 Act, and its shares are registered under the 1933 Act on Form N-1A. It was organized on March 21, 1988. The Fidelity VIT is a series investment company and currently offers 6 separate series. Each Fidelity VIT portfolio is managed by Fidelity Management & Research Company. The Fidelity VIT employs Advisers for certain of its portfolios and has received a Multi-Manager Order granted by the Commission.

10. All Contracts allow the Contract owners or, in the case of group annuity Contracts, the participants, to allocate premium payments by Contract owners or contributions by participants among the variable and any fixed investment options available under the Contracts where contributions by Contract owners or premium payments by participants allocated to variable funding options are held in corresponding divisions of the appropriate Separate Accounts.

<sup>2</sup> See *EQ Advisors Trust and EQ Financial Consultants, Inc.*, 1940 Act Rel. Nos. 23093 (March 30, 1998) (notice) and 23128 (April 24, 1998) (order).

11. Each Insurance Company, on its own behalf and on behalf of its Separate Accounts, proposes to exercise its contractual right to substitute a different eligible investment fund for one of the

current investment funds offered as a funding option under the Contracts. In particular, the section 26 Applicants request an order from the SEC pursuant to section 26(c) of the 1940 Act

approving the proposed substitutions of shares of the following Replacement Portfolios for shares of the corresponding Removed Portfolios listed opposite their names:

| Substitution Number—Removed Portfolios                                                                                                                             | Replacement Portfolios                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Old Mutual Insurance Series Fund—Old Mutual Select Value Portfolio.                                                                                             | EQ/AllianceBernstein Value Portfolio (Class IA shares).                                                                                                    |
| 2. The Universal Institutional Funds, Inc.—Value Portfolio (Class I shares) (“Universal Value Portfolio”).                                                         |                                                                                                                                                            |
| 3. Premier VIT—OpCap Managed Portfolio .....                                                                                                                       |                                                                                                                                                            |
| 4. Davis Variable Account Fund, Inc.—Davis Value Portfolio .....                                                                                                   |                                                                                                                                                            |
| 5. T. Rowe Price Equity Series, Inc.—T. Rowe Price Equity Income Portfolio.                                                                                        | EQ/Boston Advisors Equity Income Portfolio (Class IA shares).                                                                                              |
| 6. AIM Variable Insurance Funds—AIM V. I. Basic Value Fund (Series I shares).                                                                                      | EQ/BlackRock Basic Value Equity Portfolio (Class IB shares).                                                                                               |
| 7. Dreyfus Variable Investment Fund—Appreciation Portfolio (Initial shares) (“Dreyfus Appreciation Portfolio”).                                                    | EQ/AllianceBernstein Common Stock Portfolio (Class IA shares).                                                                                             |
| 8. Variable Insurance Products III—VIP Growth Opportunities Portfolio (Initial Class shares and Service Class shares) (“Fidelity Growth Opportunities Portfolio”). | EQ/Capital Guardian Research Portfolio (Class IA shares).                                                                                                  |
| 9. Premier VIT—OpCap Equity Portfolio .....                                                                                                                        |                                                                                                                                                            |
| 10. Oppenheimer Variable Account Funds—Oppenheimer Main Street Fund/VA (Service shares)..                                                                          |                                                                                                                                                            |
| 11. AIM Variable Insurance Funds—AIM V. I. Mid Cap Core Equity Fund (Series I shares).                                                                             | EQ/FI Mid Cap Portfolio (Class IA shares).                                                                                                                 |
| 12. Alger American Fund—Alger American MidCap Growth Portfolio (Class O shares).                                                                                   | EQ/Van Kampen Mid Cap Growth Portfolio (Class IA shares).                                                                                                  |
| 13. MFS Variable Insurance Trust—MFS Mid Cap Growth Series (Initial Class shares)..                                                                                |                                                                                                                                                            |
| 14. Dreyfus Investment Portfolios—Small Cap Stock Index Portfolio (Service shares) (“Dreyfus Small Cap Stock Index Portfolio”).                                    | EQ/Small Company Index Portfolio (Class IA shares).                                                                                                        |
| 15. Premier VIT—OpCap Small Cap Portfolio .....                                                                                                                    |                                                                                                                                                            |
| 16. MFS Variable Insurance Trust—MFS New Discovery Series (Initial Class shares).                                                                                  | EQ/AllianceBernstein Small Cap Growth Portfolio (Class IA shares).                                                                                         |
| 17. Janus Aspen Series—Flexible Bond Portfolio (Institutional and Service shares) (“Janus Flexible Bond Portfolio”).                                               | EQ/JPMorgan Core Bond Portfolio (Class IA shares).                                                                                                         |
| 18. PIMCO Variable Insurance Trust—PIMCO Total Return Portfolio (Administrative shares).                                                                           |                                                                                                                                                            |
| 19. The Universal Institutional Funds, Inc.—Core Plus Fixed Income Portfolio (Class I shares) (“Universal Core Plus Fixed Income Portfolio”).                      |                                                                                                                                                            |
| 20. Premier VIT—OpCap Renaissance Portfolio .....                                                                                                                  | EQ/Lord Abbett Mid Cap Value Portfolio (Class IA shares).                                                                                                  |
| 21. T. Rowe Price Equity Series, Inc.—T. Rowe Price New America Growth Portfolio.                                                                                  | EQ/Capital Guardian Growth Portfolio (Class IA shares).                                                                                                    |
| 22. The Universal Institutional Funds, Inc.—U.S. Real Estate Portfolio (Class I and Class II shares) (“Universal U.S. Real Estate Portfolio”).                     | EQ/Van Kampen Real Estate Portfolio (Class IA and Class IB shares).                                                                                        |
| 23. Alger American Fund—Alger American Balanced Portfolio (Class O shares).                                                                                        | Franklin Templeton Variable Insurance Products Trust—Franklin Income Securities Fund (Class 2 shares).                                                     |
| 24. MFS Variable Insurance Trust—MFS Total Return Series (Initial Class Shares).                                                                                   |                                                                                                                                                            |
| 25. T. Rowe Price Equity Series, Inc.—T. Rowe Price Personal Strategy Balanced Portfolio.                                                                          |                                                                                                                                                            |
| 26. Variable Insurance Products Fund—Growth Portfolio (Initial Class shares and Service Class shares) (“Fidelity Growth Portfolio”).                               | Variable Insurance Products Fund II—Contrafund Portfolio (Initial Class shares and Service Class shares, as applicable) (“Fidelity Contrafund Portfolio”). |
| 27. The Universal Institutional Funds, Inc.—Equity Growth Portfolio (Class I shares) (“Universal Equity Growth Portfolio”).                                        |                                                                                                                                                            |

12. The section 26 Applicants propose the Substitutions as part of a continued and overall business plan by each Insurance Company to make its Contracts more attractive to existing Contract owners, participants or prospective purchasers, as the case may be, and more efficient to administer and oversee. Each Insurance Company represents that it has carefully reviewed

its Contracts and each investment option offered under its Contracts with the goal of providing a superior choice of investment options.

13. Among the principal purposes of the Substitutions, the section 26 Applicants assert that the Removed Portfolios generally have not attracted sufficient Contract owner or participant interest to support maintaining them as

separate investment options under the Contracts, particularly where they duplicate or substantially overlap with other investment options offered through the Separate Accounts. As of December 31, 2006, the Separate Accounts had allocated approximately the following amounts to the Removed and Replacement Portfolios:

| Substitution number—Removed portfolios<br>(in millions)                                   | Replacement portfolios<br>(in millions)                                               |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Old Mutual Select Value Portfolio (\$8.0) .....                                        | EQ/AllianceBernstein Value Portfolio (\$4,279.0).                                     |
| 2. Universal Value Portfolio (\$13.2).                                                    |                                                                                       |
| 3. OpCap Managed Portfolio (\$9.9).                                                       |                                                                                       |
| 4. Davis Value Portfolio (\$1.3).                                                         |                                                                                       |
| 5. T. Rowe Price Equity Income Portfolio (\$26.8) .....                                   | EQ/Boston Advisors Equity Income Portfolio (\$357.0).                                 |
| 6. AIM V.I. Basic Value Equity Fund (\$19.5) .....                                        | EQ/BlackRock Basic Value Equity Portfolio (\$3,600.0).                                |
| 7. Dreyfus Appreciation Portfolio (\$1.0) .....                                           | EQ/AllianceBernstein Common Stock Portfolio (\$9,279.0).                              |
| 8. Fidelity Growth Opportunities Portfolio (\$9.6) .....                                  | EQ/Capital Guardian Research Portfolio (\$1,056.0).                                   |
| 9. OpCap Equity Portfolio (\$1.5).                                                        |                                                                                       |
| 10. Oppenheimer Main Street Fund/VA (\$11.5).                                             |                                                                                       |
| 11. AIM V.I. Mid Cap Core Equity Fund (\$9.7) .....                                       | EQ/FI Mid Cap Portfolio (\$1,552.0).                                                  |
| 12. Alger American MidCap Growth Portfolio (\$37.7) .....                                 | EQ/Van Kampen Mid Cap Growth Portfolio (\$138.0).                                     |
| 13. MFS Mid Cap Growth Series (\$6.4).                                                    |                                                                                       |
| 14. Dreyfus Small Cap Stock Index Portfolio (\$10.3) .....                                | EQ/Small Company Index Portfolio (\$1,056.0).                                         |
| 15. OpCap Small Cap Portfolio (\$1.2).                                                    |                                                                                       |
| 16. MFS New Discovery Series (\$6.6) .....                                                | EQ/AllianceBernstein Small Cap Growth Portfolio (\$1,201.0).                          |
| 17. Janus Flexible Bond Portfolio (\$23.8) .....                                          | EQ/JPMorgan Core Bond Portfolio (\$1,557.0).                                          |
| 18. PIMCO Total Return Portfolio (\$0.6).                                                 |                                                                                       |
| 19. Universal Core Plus Fixed Income Portfolio (\$14.5).                                  |                                                                                       |
| 20. OpCap Renaissance Portfolio (\$20.2) .....                                            | EQ/Lord Abbett Mid Cap Value Portfolio (\$320.0).                                     |
| 21. T. Rowe Price New America Growth Portfolio (\$7.3) .....                              | EQ/Capital Guardian Growth Portfolio (\$402.0).                                       |
| 22. Universal U.S. Real Estate Portfolio (Class I and Class II shares)<br>(Not Provided). | EQ/Van Kampen Real Estate Portfolio (Class IA and Class IB shares)<br>(Not Provided). |
| 23. Alger American Balanced Portfolio (\$14.9) .....                                      | Franklin Income Securities Fund (\$39.3).                                             |
| 24. MFS Total Return Series (\$30.5).                                                     |                                                                                       |
| 25. T. Rowe Price Personal Strategy Balanced Portfolio (\$2.7).                           |                                                                                       |
| 26. Fidelity Growth Portfolio (\$38.3) .....                                              | Fidelity Contrafund Portfolio (\$73.2).                                               |
| 27. Universal Equity Growth Portfolio (\$0.1).                                            |                                                                                       |

14. The section 26 Applicants also maintain that substituting the Replacement Portfolios for the Removed Portfolios would lead to greater efficiencies in administering the Contracts and potentially enable the Insurance Companies to offer a wider range of investment options in the future that would be more attractive to Contract owners and participants. In this connection, the section 26 Applicants note that the deletion of unpopular investment options would create additional capacity on their systems and platforms to offer new investment options.

15. The section 26 Applicants further assert that the Substitutions also are designed and intended to simplify the prospectuses and related materials with respect to the Contracts and the investment options available through the Separate Accounts. In certain cases, the Insurance Companies offer several investment alternatives that overlap one another by having similar investment objectives, policies and risks. The proposed Substitutions would eliminate these overlapping investment alternatives. The section 26 Applicants believe that the deletion of overlapping investment options should not adversely affect Contract owners and participants given that other similar investment options will remain available under the Contracts and that the Contracts will either offer the same number of investment options or, in

those cases where the number of investment options is being reduced, continue to offer a significant number of alternative investment options (currently expected to range in number from 27 to 51 after the Substitutions versus 28 to 57 before the Substitutions).

16. In addition, some Contracts offer investment alternatives from multiple fund complexes, each with its own prospectus and disclosure format, which significantly increases the volume and complexity of information that is received by Contract owners and participants. The Insurance Companies believe that this situation may be confusing to Contract owners and participants. By substituting the Replacement Portfolios for the Removed Portfolios, the respective Insurance Company anticipates that it would simplify the Contract prospectuses and related materials provided to Contract owners and participants and thereby reduce the potential for Contract owner and participant confusion. The section 26 Applicants also assert that the Substitutions will enable an Insurance Company to reduce certain costs that it incurs in administering the Contracts by removing overlapping and unpopular Portfolios and thereby allowing an Insurance Company to offer more competitively priced products in the future.

17. The section 26 Applicants note that Contract owners and participants

with subaccount balances invested in shares of the Replacement Portfolios will have the same or lower net operating expenses immediately after the Substitutions. In addition, the Insurance Companies have agreed to impose certain expense limits on Replacement Portfolios to ensure that Contract owners and participants on the Substitution Date incur the same or lower expense ratios for certain periods after the Substitutions. In addition, many of the Replacement Portfolios are larger than their corresponding Removed Portfolios. Generally speaking, larger funds tend to have lower expenses than comparable funds that are smaller. This is because, with a larger asset size, fixed fund expenses are spread over a larger base, lowering the expense ratios. Therefore, as a result of certain Substitutions, various costs such as legal, accounting, printing and trustee fees will be spread over a larger base with each Contract owner and participant bearing a smaller portion of the cost than would be the case if the Replacement Portfolios and/or the Trust (as applicable) were smaller in size. Larger funds also may have lower trading expenses, potentially resulting in higher returns.

18. The section 26 Applicants also argue that certain of the proposed Substitutions would replace an outside Portfolio with a Portfolio for which AXA Equitable serves as Manager and, thus, would permit AXA Equitable,

under the Multi-Manager Order, to appoint, dismiss and replace Advisers and amend Advisory Agreements as necessary to seek optimal performance from the Portfolio and its portfolio managers. Notwithstanding the Multi-Manager Order, with respect to the Substitution involving the EQ/Van Kampen Real Estate Portfolio, after the Substitution Date (as defined herein), the Section 26 Applicants agree not to change the Adviser to the EQ/Van Kampen Real Estate Portfolio without first obtaining shareholder approval of either (a) the Adviser change or (b) AXA Equitable's continued ability to rely on the Multi-Manager Order. Even with respect to this Substitution, the section 26 Applicants believe that the Substitution would provide AXA Equitable, as the investment manager of the Trust, with greater oversight capabilities with respect to portfolios offered through its Contracts.

19. Moreover, certain of the Substitutions will replace an outside Portfolio with a Portfolio that is managed by AXA Equitable. In this

regard, the relevant Replacement Portfolios generally are only available through the variable insurance and annuity products offered by AXA Equitable and its affiliates.

Consequently, the Board of Trustees of the relevant Replacement Portfolios has greater sensitivity to the needs of Contract owners and participants. The relevant Substitutions also will provide AXA Equitable with more influence over the administrative aspects of the Portfolios, while providing Contract owners and participants with the benefit of third party asset management. Influence is important because changes to Removed Portfolios can result in costly, off-cycle communications and mailings to Contract owners and participants. Conversely, for the relevant Replacement Portfolios, AXA Equitable has greater influence over the pace and timing of such changes. AXA Equitable believes that the relevant Substitutions will enable it to exercise more influence over the management and administration of the Portfolios, thereby reducing costs and customer

confusion. The added influence will give AXA Equitable the ability to react more quickly to changes and problems it encounters in its oversight of the relevant Replacement Portfolios.

20. The section 26 Applicants also maintain that the Substitutions will substitute shares of a Replacement Portfolio for shares of a Removed Portfolio, which has very similar, and in some cases substantially similar, investment objectives, investment policies and risks as those of the corresponding Removed Portfolio. This fact is expected to simplify the process of explaining the Substitutions to Contract owners and participants, including an explanation of the relevant differences in the policies of the Replacement and Removed Portfolios, and should facilitate their understanding of the effect of the Substitutions on them. A summary description of the investment objectives, investment policies and principal risks of each Removed Portfolio and its corresponding proposed Replacement Portfolio is set forth below.

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Old Mutual Select Value Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2. Universal Value Portfolio (Class I shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 3. OpCap Managed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4. Davis Value Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | EQ/AllianceBernstein Value Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to provide investors with long-term growth of capital and income; current income is a secondary objective. The Portfolio normally invests at least 65% of its net assets in equity securities of large cap companies with value characteristics. The Portfolio may invest in common and preferred stock. The Portfolio also may invest in investment grade fixed income securities, American Depositary Receipts ("ADRs") and up to 20% of its net assets in foreign-traded securities. In addition, the Portfolio may invest in derivatives, U.S. government securities and convertible securities. | <i>Investment Objective and Principal Strategies:</i> The Portfolio seeks above-average total return over a market cycle of three to five years. The Portfolio invests primarily in common stocks of companies with larger capitalizations. The Portfolio emphasizes a value style of investing seeking well established companies that appear undervalued. The Portfolio also may invest, to a limited extent, in foreign equity securities and, without limit, in securities of foreign companies listed on a U.S. national exchange. In addition, the Portfolio may invest in investment grade debt securities, U.S. government securities, convertible securities and derivatives. | <i>Investment Objective and Principal Strategies:</i> The Portfolio seeks growth of capital over time. The Portfolio invests in common stocks, bonds, derivatives and cash equivalents in varying percentages based on the advisers' views of relative values. The Portfolio also may invest in foreign securities and government and corporate bonds. The Portfolio may invest up to 100% of its assets in debt securities, but will only do so if, in the judgment of the adviser, equity securities are not attractive investments. | <i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. The Portfolio invests the majority of its assets in equity securities issued by large companies. The Portfolio may invest in companies of any size and also may invest in foreign securities, debt securities, including government securities, and derivatives. In addition, the Portfolio may invest in preferred securities and convertible securities. The adviser seeks to acquire companies with durable business models that can be purchased at attractive valuations in relation to their intrinsic value. | <i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital appreciation. Under normal circumstances, the Portfolio invests a least 80% of its total assets in equity securities that are trading at a discount to their long term earnings power. The Portfolio generally invests in large-cap companies. The Portfolio may invest in common stock, preferred stock and securities convertible into common stock. The Portfolio also may invest up to 20% of its assets in U.S. Government securities and investment grade securities of domestic corporations and up to 10% of its assets in foreign equity or debt securities. In addition, the Portfolio may invest in derivatives. |

| Substitution Number—Removed Portfolios                                                                                                     |                                                                                                                                  |                                                                                                                                                                                                                                                          |                                                                                                                                 | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| 1. Old Mutual Select Value Portfolio                                                                                                       | 2. Universal Value Portfolio (Class I shares)                                                                                    | 3. OpCap Managed Portfolio                                                                                                                                                                                                                               | 4. Davis Value Portfolio                                                                                                        | EQ/AllianceBernstein Value Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <i>Principal Risks:</i> Equity Risk, Industry and Sector Risk, Investment Style Risk, Market Risk, Security Risk, Security Selection Risk. | <i>Principal Risks:</i> Asset Class Risk, Equity Risk, Market Risk, Security Risk, Small-Cap Company Risk, Value Investing Risk. | <i>Principal Risks:</i> Asset Allocation Risk, Credit Risk, Currency Risk, Derivatives Risk, Emerging Markets Risk, Fixed Income Risk, Issuer Risk, Leveraging Risk, Liquidity Risk, Management Risk, Market Risk, Mortgage Risk, Value Securities Risk. | <i>Principal Risks:</i> Company Risk, Financial Service Risk, Foreign Country Risk, Headline Risk, Market Risk, Selection Risk. | <i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Derivatives Risk, Equity Risk, Fixed Income Risk, Foreign Securities Risk (also known as currency risk and emerging markets risk, or foreign country risk), Investment Grade Securities Risk, Interest Rate Risk, Leveraging Risk, Market Risk, Security Selection Risk (also known as selection risk), Security Risk (also known as issuer risk or company risk), Value Investing Risk (also known as investment style risk or value securities risk). |

  

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| 5. T. Rowe Price Equity Income Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | EQ/Boston Advisors Equity Income Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to provide substantial dividend income as well as long-term growth of capital. The Portfolio will normally invest at least 80% of its net assets in common stocks, with 65% in common stocks of well-established companies paying above average dividends. The Portfolio also may invest in convertible securities, foreign securities and derivatives. The Portfolio typically employs a value approach in selecting investments.</p> <p><i>Principal Risks:</i> Derivatives Risk, Equity Risk, Fixed Income Risk, Foreign Securities Risk, Interest Rate Risk, Market Risk, Security Risk, Security Selection Risk, Value Investing Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks a combination of growth and income to achieve an above-average and consistent total return. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in equity securities. The Portfolio primarily invests in dividend-paying common stocks of U.S. large capitalization companies, but also may invest in small- and mid-cap companies. The Portfolio also may invest in convertible securities, foreign securities and derivatives. The Adviser focuses primarily on companies that offer the potential for capital appreciation combined with an above market level of dividend income.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Equity Risk, Market Risk, Security Risk, Security Selection Risk, Small-Cap and Mid-Cap Company Risk.</p> |

  

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| 6. AIM V.I. Basic Value Fund (Series I shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | EQ/BlackRock Basic Value Equity Portfolio (Class IB shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. The Portfolio normally invests at least 65% of its total assets in equity securities of large- and mid-cap U.S. issuers and that the portfolio managers believe to be undervalued in relation to long-term earning power or other factors. The Portfolio also may invest up to 30% of its total assets in equity securities of small-cap U.S. issuers and may invest in investment grade non-convertible debt securities, U.S. government securities and high-quality money market issuers, all of which are issued by U.S. issuers. In addition, the Portfolio may invest up to 25% of its total assets in foreign securities.</p> <p><i>Principal Risks:</i> Equity Risk, Foreign Securities Risk, Market Risk, Security Risk, Security Selection Risk, Small-Cap Company Risk, Value Investing Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital appreciation and, secondarily, income. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in equity securities. The Portfolio invests primarily in equity securities the Adviser believes are undervalued. The Portfolio focuses its investments on large-cap companies, but also may invest in small- and mid-capitalization companies. The Portfolio also may invest, to a limited extent, in investment grade debt securities and U.S. government securities and up to 25% of its total assets in foreign securities.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Derivatives Risk, Equity Risk, Foreign Securities Risk, Market Risk, Security Selection Risk, Security Risk, Small-Cap and Mid-Cap Company Risk, Value Investing Risk.</p> |

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| 7. Dreyfus Appreciation Portfolio (Initial shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EQ/AllianceBernstein Common Stock Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term capital growth consistent with preservation of capital. The Portfolio normally invests at least 80% of its assets in common stocks. The Portfolio focuses on blue chip companies, including multinational companies. The adviser may utilize both growth and value investing styles.</p> <p><i>Principal Risks:</i> Blue Chip Risk, Foreign Investment Risk, Issuer Risk, Market Risk, Market Sector Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to achieve long-term growth of capital. The Portfolio generally invests at least 80% of its net assets, plus borrowing for investment purposes, in common stocks. The Portfolio invests primarily in common stocks listed on national securities exchanges, but smaller amounts may be invested in stocks that are traded over-the-counter. The Portfolio generally will not invest more than 20% of its total assets in foreign securities. The adviser may utilize both growth and value investing styles.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk (also known as market risk or market sector risk), Convertible Securities Risk, Equity Risk (also known as issuer risk), Foreign Securities Risk (also known as foreign investment risk), Growth Investing Risk, Market Risk, Security Risk (also known as issuer risk), Security Selection Risk, Small-Cap and Mid-Cap Company Risk, Value Investing Risk.</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| 8. Fidelity Growth Opportunities Portfolio (Initial Class shares and Service Class shares)                                                                                                                                                                                                                                                                                                                                                                                                               | 9. OpCap Equity Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10. Oppenheimer Main Street Fund/VA (Service shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | EQ/Capital Guardian Research Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to provide capital growth. The Portfolio normally invests primarily in common stocks. The Portfolio may invest in securities of foreign issuers in addition to domestic issuers. The adviser is not constrained by any particular investment style and may utilize both growth and value investing styles.</p> <p><i>Principal Risks:</i> Foreign Exposure Risk, Issuer-Specific Changes, Stock Market Volatility Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long term capital appreciation. Under normal conditions, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of companies that the manager believes are undervalued in the marketplace. The Portfolio may invest in foreign securities and invests in equity securities listed on U.S. or foreign securities exchanges or traded in over-the-counter markets.</p> <p><i>Principal Risks:</i> Credit Risk, Equity Risk, Issuer Risk, Leveraging Risk, Liquidity Risk, Management Risk, Market Risk, Value Securities Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks high total return from equity and debt securities. The Portfolio currently invests mainly in common stocks of U.S. companies of different capitalization ranges, presently focusing on large-capitalization issuers. The Portfolio may also buy debt securities such as bonds and debentures, but does not currently emphasize these investments. In addition, the Portfolio may invest in foreign securities without limit, however, the Portfolio does not currently expect to have substantial investments in such securities.</p> <p><i>Principal Risks:</i> Asset Class Risk, Equity Risk, Fixed Income Risk, Interest Rate Risk, Market Risk, Security Risk, Security Selection Risk, Small-Cap and Mid-Cap Company Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to achieve long-term growth of capital. The Portfolio invests primarily (generally at least 65% of its assets) in equity securities of U.S. issuers and securities whose principal markets are in the United States. The Portfolio invests primarily in common stocks of large-cap companies. The Portfolio may invest up to 15% of its total assets in securities of issuers outside of the U.S. and not included in the S&amp;P 500. The Adviser seeks to invest in stocks whose prices are not excessive relative to book value or in companies whose asset values are understated.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Equity Risk (also known as issuer-specific changes risk), Foreign Securities Risk (also known as foreign exposure risk), Market Risk (also known as stock-market volatility risk), Security Selection Risk (also known as management risk), Security Risk (also known as issuer-specific changes risk or issuer risk), Small-Cap and Mid-Cap Company Risk.</p> |

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| 11. AIM V.I. Mid Cap Core Equity Fund (Series I shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | EQ/FI Mid Cap Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. Normally, the Portfolio invests at least 80% of its net assets, plus the amount of any borrowing for investment purposes, in equity securities, including convertible securities, of mid-capitalization companies. In selecting investments, the adviser seeks to identify those companies that are, in its view, undervalued relative to current or projected earnings. The Portfolio may invest up to 20% of its assets in equity securities of companies in other market capitalization ranges. The Portfolio may also invest up to 20% of its assets in investment grade debt securities, U.S. Government securities and high quality money market instruments and 25% of its total assets in foreign securities. In addition, the Portfolio may invest in derivatives.</p> <p><i>Principal Risks:</i> Equity Risk, Foreign Securities Risk, Market Risk, Security Risk, Security Selection Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. The Portfolio normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in common stocks of companies with medium market capitalizations. The Portfolio may also invest in companies with smaller or larger market capitalization and securities of foreign issuers. The Portfolio is not constrained by any particular investment style and may buy growth-oriented or value-oriented stock or a combination of both. While the Portfolio does not have a stated limit with respect to investments in securities of foreign issuers, from January 1, 2004 through December 31, 2006, the Portfolio generally has invested between 10–20% of its net assets in such securities. In addition, the Portfolio may invest in derivatives and up to 20% of its net assets in investment grade debt securities and U.S. Government securities.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Derivatives Risk, Equity Risk, Foreign Securities Risk, Growth Investing Risk, Market Risk, Portfolio Turnover Risk, Security Risk, Security Selection Risk, Small-Cap and Mid-Cap Company Risk, Value Investing Risk.</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| 12. Alger American MidCap Growth Portfolio (Class O shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 13. MFS Mid Cap Growth Series (Initial Class shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | EQ/Van Kampen Mid Cap Growth Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term capital appreciation. Under normal circumstances, the portfolio invests at least 80% of its net assets in the equity securities of mid-cap companies at the time of investment. The Portfolio also may invest in equity securities of small- and large-cap companies. The Portfolio focuses on mid-sized companies the adviser believes demonstrate promising growth potential. The Portfolio may invest in derivatives, convertible securities and up to 20% of its total assets in foreign securities.</p> <p><i>Principal Risks:</i> Derivatives Risk, Equity Risk, Growth Investing Risk, Liquidity Risk, Market Risk, Mid-Cap Company Risk, Security Risk, Security Selection Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. Under normal circumstances, the Portfolio invests at least 80% of its net assets in common stocks and related securities, of companies with medium market capitalization which the Portfolio's adviser believes have above-average growth potential. The Portfolio also may invest, to a limited extent, in investment grade debt securities, up to 10% in lower rated bonds and up to 20% in foreign securities, including emerging markets securities. In addition, the Portfolio may invest in convertible securities and derivatives.</p> <p><i>Principal Risks:</i> Emerging Markets Risk, Foreign Securities Risk, Market Risk, Mid-Cap Growth Company Risk, Over-the-Counter Risk, Short Sales Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital growth. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in securities of medium-sized companies at the time of investment. The Portfolio primarily invests (generally at least 65% of its assets) in equity securities and may also invest in equity securities of small- and large-cap companies. The Adviser seeks to invest in high quality companies it believes have sustainable competitive advantages and the ability to redeploy capital at high rates of return. The Portfolio also may invest in debt securities of various maturities considered investment grade and up to 5% of its net assets in convertible securities below investment grade. In addition, the Portfolio may invest in derivatives and up to 25% of its total assets in foreign issuers, including issuers in emerging markets.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Currency Risk, Derivatives Risk, Emerging Markets Risk, Equity Risk, Foreign Securities Risk, Fixed Income Risk, Investment Grade Securities risk, Junk Bond or Lower Rated Securities Risk, Growth Investing Risk (also known as mid-cap growth company risk), Market Risk, Security Risk, Security Selection Risk, Small-Cap and Mid-Cap Company Risk (also known as mid-cap growth company risk).</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| 14. Dreyfus Small Cap Stock Index Portfolio (Service shares)                                                                                                                                                                                                                                                                                                                                                                                                                                | 15. OpCap Small Cap Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | EQ/Small Company Index Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to match the performance of the S&amp;P SmallCap 600 Index. The Portfolio invests in a representative sample of stocks included in the S&amp;P SmallCap 600 Index. The Portfolio may also invest in derivatives and, to a limited extent, in short-term debt securities.</p> <p><i>Principal Risks:</i> Derivatives Risk, Indexing Strategy Risk, Issuer Risk, Market Risk, Small and Midsize Company Risk</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital appreciation. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of small-cap companies that the adviser believes are undervalued in the marketplace. The Portfolio's benchmark is the Russell 2000 Index ("Russell 2000"). The Portfolio also may invest in securities issued in an IPO, foreign securities, derivatives and, to a limited extent, in short-term debt securities.</p> <p><i>Principal Risks:</i> Credit Risk, Issuer Risk, Leveraging Risk, Liquidity Risk, Management Risk, Market Risk, Small Company Risk, Value Securities Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to replicate as closely as possible the total return of the Russell 2000. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowing for investment purposes, in equity securities of small-cap companies included in the Russell 2000. The Portfolio may also invest in derivatives and, to a limited extent, in short-term debt securities.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Derivatives Risk, Equity Risk, Index-Fund Risk (also known as indexing strategy risk), Liquidity Risk, Market Risk (also known as issuer risk), Security Risk (also known as issuer risk), Small-Cap Company Risk (also known as small company risk).</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Replacement Portfolio |
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| 16. MFS New Discovery Series (Initial Class shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | EQ/AllianceBernstein Small Cap Growth Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                       |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital appreciation. Under normal market conditions, the Portfolio invests at least 65% of its net assets in equity securities of emerging growth companies. While emerging growth companies may be of any size, the Portfolio generally focuses on small capitalization companies. The Portfolio invests in common stocks and other equity securities, such as convertible securities. The adviser looks to invest in companies that offer superior growth prospects. The Portfolio also may invest in investment grade corporate fixed income securities and up to 20% of its assets in foreign securities</p> <p><i>Principal Risks:</i> Active and Frequent Trading Risk, Company Risk, Emerging Growth Companies Risk, Foreign Securities Risk, Market Risk, Over-the-Counter Risk, Small Capitalization Companies Risk, Short Sales Risk</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to achieve long-term growth of capital. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowing for investment purposes, in securities of small capitalization companies. The Portfolio invests primarily in U.S. common stocks and other equity-type securities issued by smaller companies with favorable growth prospects. The Portfolio may also invest in convertible securities, investment grade corporate fixed income securities and up to 20% of its assets in foreign securities.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Equity Risk, Growth Investing Risk, Liquidity Risk, Market Risk, Portfolio Turnover Risk (also known as active and frequent trading risk), Securities Risk (also known as company risk), Security Selection Risk, Small-Cap Company Risk (also known as small capitalization companies risk).</p> |                       |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| 17. Janus Flexible Bond Portfolio (Institutional and Service shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 18. PIMCO Total Return Portfolio (Administrative shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 19. Universal Core Plus Fixed Income Portfolio (Class I shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | EQ/JPMorgan Core Bond Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to obtain maximum total return, consistent with preservation of capital. Under normal circumstances, the Portfolio invests at least 80% of its assets, plus the amount of any borrowings for investment purposes, in bonds. The Portfolio will invest at least 65% of its assets in investment grade debt securities. The types of bonds the Portfolio invests in include government bonds, corporate bonds and mortgage-backed bonds. Within the parameters of its specific investment policies, the Portfolio also may invest, without limit, in foreign debt and equity securities. In addition, the Portfolio may invest in derivatives.</p> <p><i>Principal Risks:</i> Credit Risk, Fixed Income Risk, Foreign Securities Risk, Interest Rate Risk High-Yield Securities Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks maximum total return, consistent with preservation of capital and prudent investment management. Under normal circumstances, the Portfolio invests at least 65% of its total assets in a diversified portfolio of fixed income instruments of varying maturities. The Portfolio invests primarily in investment grade debt securities. The Portfolio may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Portfolio may also invest in derivatives.</p> <p><i>Principal Risks:</i> Credit Risk, Currency Risk, Derivatives Risk, Foreign (Non-U.S.) Investment Risk, High Yield Risk, Interest Rate Risk, Issuer Risk, Leveraging Risk, Liquidity Risk, Management Risk, Market Risk, Mortgage Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks above average total return over a market cycle of three to five years. Under normal circumstances, at least 80% of the Portfolio's assets are invested in fixed income securities. The Portfolio invests primarily in a diversified mix of dollar denominated investment grade fixed income securities, including U.S. government, corporate and mortgage securities. The Portfolio also may invest in foreign securities and derivatives.</p> <p><i>Principal Risks:</i> Credit Risk, Fixed Income Risk, High-Yield Securities Risk, Interest Rate Risk, Market Risk, Mortgage-Backed Securities Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks to provide a high total return consistent with moderate risk to capital and maintenance of liquidity. Under normal circumstances, the Portfolio invest at least 80% of its net assets, plus borrowings for investment purposes, in investment grade debt securities. The Portfolio invests in broad sectors of fixed income securities, including U.S. Government and agency securities, corporate securities and mortgage-backed securities. The Portfolio also may invest in derivatives and up to 25% of its assets in securities of foreign issuers.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset-Backed Securities Risk, Asset Class Risk, Credit Risk, Derivatives Risk, Fixed Income Risk, Foreign Securities Risk, Interest Rate Risk, Investment Grade Securities Risk, Liquidity Risk, Market Risk, Mortgage-Backed Securities Risk, Portfolio Turnover Risk, Security Risk, Security Selection Risk.</p> |

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 20. OpCap Renaissance Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | EQ/Lord Abbett Mid Cap Value Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long term capital appreciation and income. Under normal market conditions, the Portfolio invests at least 65% of its assets in common stocks of companies that the adviser believes are trading below their intrinsic values and whose business fundamentals are expected to improve. The Portfolio typically invests in mid-cap companies. The Portfolio also may invest in derivatives and up to 15% in foreign securities, except that the Portfolio may invest without limit in securities of foreign issuers that are traded in U.S. markets, including ADRs).</p> <p><i>Principal Risks:</i> Credit Risk Derivatives Risk Issuer Risk, Leveraging Risk, Liquidity Risk, Management Risk, Market Risk, Value Securities Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks capital appreciation. Under normal circumstances, the Portfolio invests at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of mid-sized companies. In selecting investments, the Adviser uses a value approach. The Portfolio also may invest up to 10% of its net assets in foreign securities, except that the Portfolio may invest without limit in ADRs and similar depositary receipts. In addition, the Portfolio may invest in derivatives.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Derivatives Risk, Equity Risk (also known as issuer risk), Futures and Options Risk, Market Risk, Mid-Cap Company Risk, Security Risk (also known as issuer risk), Security Selection Risk (also known as management risk), Value Investing Risk (also known as value securities risk).</p> |

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| 21. T. Rowe Price New America Growth Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | EQ/Capital Guardian Growth Portfolio (Class IA shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term capital growth. The Portfolio invests at least 65% of its total assets in common stocks of U.S. companies operating in those sectors of the economy that the adviser believes are the fastest growing or have the greatest growth potential. The Portfolio may invest in companies of any market capitalization and may also invest in convertible securities and foreign securities.</p> <p><i>Principal Risks:</i> Asset Class Risk, Equity Risk, Foreign Securities Risk, Growth Investing Risk, Market Risk, Security Risk, Security Selection Risk, Small-Cap Company Risk.</p> | <p><i>Investment Objective and Principal Strategies:</i> The Portfolio seeks long-term growth of capital. The Portfolio normally will be invested primarily in common stocks, or securities convertible or exchangeable into common stocks, of large-cap companies. The Portfolio invests primarily in equity securities of U.S. issuers and securities whose principal markets are in the U.S., including ADRs. The Adviser seeks to invest in securities that exhibit one or more growth characteristics relative to the U.S. market.</p> <p><i>Principal Risks:</i> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Equity Risk, Foreign Securities Risk, Growth Investing Risk, Market Risk, Security Selection Risk, Security Risk, Small-Cap and Mid-Cap Company Risk.</p> |

| Substitution Number—Removed Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| 22. Universal U.S. Real Estate Portfolio (Class I and Class II shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EQ/Van Kampen Real Estate Portfolio (Class IA and Class IB shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks to provide above average current income and long-term capital appreciation by investing primarily in equity securities of companies in the U.S. real estate industry, including real estate investment trusts ("REITs"). Under normal circumstances, at least 80% of the Portfolio's assets will be invested in equity securities of companies in the U.S. real estate industry. The Portfolio also has the flexibility to invest up to 20% of its net assets in foreign securities. The Portfolio focuses on REITs as well as real estate operating companies that invest in a variety of property types and regions. The adviser's approach emphasizes bottom-up stock selection with a top-down asset allocation overlay.</p> <p><b>Principal Risks:</b> Equity Risk, Focused Portfolio Risk, Market Risk, Non-Diversification Risk, Real Estate Risk, Security Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks to provide above average current income and long-term capital appreciation. Under normal circumstances, the Portfolio will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of companies in the real estate industry, including REITs. The Portfolio also may invest in foreign securities. The Portfolio focuses on REITs, as well as real estate operating companies that invest in a variety of property types and regions. The Adviser's approach emphasizes bottom-up stock selection with a top-down asset allocation overlay.</p> <p><b>Principal Risks:</b> Adviser Selection Risk, Asset Class Risk, Convertible Securities Risk, Derivatives Risk, Equity Risk, Focused Portfolio Risk, Foreign Securities Risk, Market Risk, Non-Diversification Risk, Real Estate Investing Risk (also known as real estate risk), Security Risk, Security Selection Risk, Value Investing Risk.</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| 23. Alger American Balanced Portfolio (Class O shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 24. MFS Total Return Series (Initial Class shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 25. T. Rowe Price Personal Strategy Balanced Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Franklin Income Securities Fund (Class 2 shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks current income and long-term capital appreciation. Under normal circumstances, the Portfolio invests at least 25% of its net assets in fixed-income securities and at least 25% of its net assets in equity securities. Most of the Portfolio's fixed income investments are concentrated in investment grade securities. The Portfolio may also invest up to 10% of its net assets in lower-rated securities. In addition, the Portfolio invests primarily in growth stocks. The Portfolio may also invest in derivatives, convertible securities and up to 20% of its assets in foreign securities.</p> <p><b>Principal Risks:</b> Credit Risk, Derivatives Risk, Fixed Income Securities Risk, Growth Stock Risk, Interest Rate Risk, Lower Rate Securities Risk, Market Risk, Mortgage-Backed and Asset-Backed Securities Risk, Stock Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks above-average income consistent with prudent employment of capital. Under normal market conditions, the Portfolio invests at least 40% of its net assets in common stocks and related securities and at least 25% of its net assets in non-convertible fixed income securities. The Portfolio may invest up to 20% of its assets in lower rated debt securities and up to 20% of its assets in foreign securities. In addition, the Portfolio may invest in convertible securities and derivatives.</p> <p><b>Principal Risks:</b> Allocation Risk, Convertible Securities Risk, Credit Risk, Foreign Securities Risk, Interest Rate Risk, Junk Bond Risk, Liquidity Risk, Market Risk, Maturity Risk, Mortgage-Backed and Asset-Backed Securities Risk, Undervalued Securities Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks the highest total return over time consistent with an emphasis on both capital appreciation and income. The Portfolio invests in a diversified portfolio typically consisting of approximately 60% stocks, 30% bonds and 10% money market instruments. The Portfolio also invests at least 25% of its total assets in senior fixed-income securities. In addition, the Portfolio invests in both growth and value stocks. The Portfolio also may invest in lower rated debt securities, foreign securities and derivatives.</p> <p><b>Principal Risks:</b> Bond Risk, Credit Risk, Derivatives Risk, Foreign Securities Risk, Interest Rate Risk, Stock Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks to maximize income while maintaining prospects for capital appreciation. Under normal market conditions, the Portfolio invests in both debt and equity securities. The Portfolio may invest a significant amount of its total assets in debt securities that are either rated below investment grade, or if unrated, determined to be of comparable quality by the Portfolio's adviser (also known as junk bonds). The Portfolio may also invest in convertible securities. The adviser seeks to invest in undervalued or out-of-favor securities it believes offer opportunities for income today and growth tomorrow. In addition, the Portfolio may invest in derivatives and a small portion of its assets in foreign securities.</p> <p><b>Principal Risks:</b> Convertible Securities Risk, Credit Risk, Foreign Securities Risk, Income Risk, Interest Rate Risk, Stocks Risk, Value Style Investing Risk.</p> |

| Substitution Number—Removed Portfolios                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Replacement Portfolio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 26. Fidelity Growth Portfolio (Initial Class shares and Service Class shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 27. Universal Equity Growth Portfolio (Class I shares)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks capital appreciation. The Portfolio normally invests primarily in common stocks. The adviser invests the Portfolio's assets in companies it believes have above-average growth potential. The Portfolio may invest up to 50% of its assets in foreign securities. The Portfolio may also invest in derivatives.</p> <p><b>Principal Risks:</b> Foreign Exposure Risk, Issuer-Specific Risk, Growth Investing Risk, Stock Market Volatility Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks long-term capital appreciation. Under normal circumstances, at least 80% of the Portfolio's assets will be invested in equity securities. The Portfolio invests primarily in growth-oriented equity securities of U.S. and foreign companies. The Portfolio invests primarily in large-cap companies. The Portfolio may also invest up to 25% of its assets in foreign securities and may invest in derivatives.</p> <p><b>Principal Risks:</b> Equity Risk, Foreign Securities Risk, Market Risk, Security Risk.</p> | <p><b>Investment Objective and Principal Strategies:</b> The Portfolio seeks long-term capital appreciation. The Portfolio normally invests primarily in common stocks. The Portfolio may invest in growth or value stocks or a combination of both. The Portfolio also may invest in foreign securities and derivatives.</p> <p><b>Principal Risks:</b> Foreign Exposure Risk (also known as foreign securities risk), Issuer Specific Changes Risk (also known as security risk), Stock Market Volatility Risk (also known as equity risk and market risk).</p> |

21. The section 26 Applicants also contend that the Substitutions are designed to provide Contract owners and participants with an opportunity to continue their investment in similar Portfolios without interruption and without any cost to them. In this regard, the Insurance Companies have agreed to bear all expenses incurred in connection with the Substitutions and related filings and notices, including legal, accounting, brokerage and other fees and expenses. On the effective date of the Substitutions, the amount of any Contract owner's or participant's Contract value or the dollar value of a Contract owner's or participant's

investment in the relevant Contract will not change as a result of the Substitutions. In addition, the section 26 Applicants represent that the net expense ratios of the Replacement Portfolios are expected to be the same as or lower than those of the Removed Portfolios. A summary comparison of the fees and expenses, and asset size of the Portfolios involved in the Substitutions for fiscal year ended December 31, 2006, is set forth below.

*1. Old Mutual Select Value Portfolio Replaced by EQ/AllianceBernstein Value Portfolio (Class IA Shares)*

As provided in the chart below, the Section 26 Applicants anticipate that

the EQ/AllianceBernstein Value Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower than that of the Old Mutual Select Value Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit Contract owners and participants by lowering the annual operating expense ratio.

|                                                          | Old Mutual Select Value Portfolio (percent) | EQ/AllianceBernstein Value Portfolio (percent) |
|----------------------------------------------------------|---------------------------------------------|------------------------------------------------|
| Management Fee <sup>3</sup> .....                        | 0.75                                        | 0.60                                           |
| Rule 12b-1 Fee .....                                     | None                                        | None                                           |
| Other Expenses .....                                     | 0.21                                        | 0.13                                           |
| Total Annual Operating Expenses .....                    | 0.96                                        | <sup>4</sup> 0.73                              |
| Less Fee Waiver/Expense Reimbursement <sup>5</sup> ..... | (0.02)                                      | (0.03)                                         |
| Net Annual Operating Expenses .....                      | 0.94                                        | 0.70                                           |

<sup>3</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.75% on less than \$300 million; 0.70% on \$300 million to less than \$500 million; 0.65% on \$500 million to less than \$750 million; 0.60% on \$750 million to less than \$1.0 billion; 0.55% on \$1.0 billion to less than \$1.5 billion; 0.50% on \$1.5 billion to less than \$2.0 billion; and 0.45% thereafter.

<sup>4</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio. Effective May 1, 2006, each Portfolio of the Trust involved in the Substitutions pays an administration fee equal to \$30,000 per year, plus its *pro rata* portion of the Trust's asset-based administration fee, which is equal to an annual rate of 0.12% of the first \$3 billion of total Trust average daily net assets (excluding certain series), 0.11% of the next \$3 billion, 0.105% of the next \$4 billion, 0.10% of the next \$20 billion and 0.0975% thereafter. Prior to that date, the administration fee for each Portfolio of the Trust was equal to \$30,000 per year, plus its *pro rata* portion of the Trust's asset-based administration fee, which was equal to an annual rate of 0.04% of the first \$3 billion of total Trust average daily net assets (exclusive of certain series), 0.03% of the next \$3 billion, 0.025% of the next \$4 billion, and 0.0225% thereafter.

<sup>5</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the Portfolio's expenses through April 30, 2008 pursuant to an expense limitation agreement so that the Net Annual Operating Expenses of the Portfolio's Class IA shares do not exceed 0.70%. The manager of the Removed Portfolio has agreed to make payments or waive a portion of its management fee to limit Annual Operating Expenses of the Portfolio to 0.94%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$4.4 billion, while the assets of the Removed Portfolio were approximately \$46.6 million.

*2. Universal Value Portfolio (Class I Shares) Replaced by EQ/AllianceBernstein Value Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/AllianceBernstein Value Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual

operating expense ratio will be lower than that of the Universal Value Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit Contract owners and participants by lowering the annual operating expense ratio.

|                                                          | Universal Value Portfolio (percent) | EQ/AllianceBernstein Value Portfolio (percent) |
|----------------------------------------------------------|-------------------------------------|------------------------------------------------|
| Management Fee <sup>6</sup> .....                        | 0.55                                | 0.60                                           |
| Rule 12b-1 Fee .....                                     | None                                | None                                           |
| Other Expenses .....                                     | 0.38                                | 0.13                                           |
| Total Annual Operating Expenses .....                    | 0.93                                | <sup>7</sup> 0.73                              |
| Less Fee Waiver/Expense Reimbursement <sup>8</sup> ..... | (0.08)                              | (0.03)                                         |
| Net Annual Operating Expenses .....                      | 0.85                                | 0.70                                           |

<sup>6</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.55% of the first \$500 million in assets; 0.50% from \$500 million to \$1 billion; 0.45% over \$1 billion.

<sup>7</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>8</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%. The adviser of the Removed Portfolio has voluntarily agreed to reduce its advisory fee and/or reimburse the Portfolio so that annual operating expenses, excluding certain investment related expenses, will not exceed 0.85%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$4.4 billion, while the assets of the Removed Portfolio were approximately \$70 million.

**3. OpCap Managed Portfolio Replaced by EQ/AllianceBernstein Value Portfolio (Class IA Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the EQ/AllianceBernstein Value Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower

than that of the OpCap Managed Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | OpCap Managed Portfolio (percent) | EQ/AllianceBernstein Value Portfolio (percent) |
|-----------------------------------------------------------|-----------------------------------|------------------------------------------------|
| Management Fee <sup>9</sup> .....                         | 0.80                              | 0.60                                           |
| Rule 12b-1 Fee .....                                      | None                              | None                                           |
| Other Expenses .....                                      | 0.15                              | 0.13                                           |
| Total Annual Operating Expenses .....                     | 0.95                              | <sup>10</sup> 0.73                             |
| Less Fee Waiver/Expense Reimbursement <sup>11</sup> ..... | 0.00                              | (0.03)                                         |
| Net Annual Operating Expenses .....                       | 0.95                              | 0.70                                           |

<sup>9</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The Removed Portfolio's management fee schedule does not include breakpoints.

<sup>10</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>11</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%. With respect to the Removed Portfolio, the investment adviser has agreed through December 31, 2015 reduce Annual Operating Expenses of the Removed Portfolio to the extent they would exceed 1.00% (net of any expenses offset by earnings credits from the custodian bank). Net Annual Operating Expenses do not reflect a reduction of custody expenses offset by custody credits earned on cash balances at the custodian bank.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$4.4 billion, while the assets of the Removed Portfolio were approximately \$258 million.

**4. Davis Value Portfolio Replaced by EQ/AllianceBernstein Value Portfolio (Class IA Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the EQ/AllianceBernstein Value Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual

operating expense ratio will be lower than that of the Davis Value Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Davis Value Portfolio (percent) | EQ/AllianceBernstein Value Portfolio (percent) |
|-----------------------------------------------------------|---------------------------------|------------------------------------------------|
| Management Fee <sup>12</sup> .....                        | 0.75                            | 0.60                                           |
| Rule 12b-1 Fee <sup>13</sup> .....                        | None                            | None                                           |
| Other Expenses .....                                      | 0.06                            | 0.13                                           |
| Total Annual Operating Expenses .....                     | 0.81                            | <sup>14</sup> 0.73                             |
| Less Fee Waiver/Expense Reimbursement <sup>15</sup> ..... | N/A                             | (0.03)                                         |
| Net Annual Operating Expenses .....                       | 0.81                            | 0.70                                           |

<sup>12</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The Removed Portfolio's management fee schedule does not include breakpoints.

<sup>13</sup> Class IA shares of the Replacement Portfolio are not subject to a Rule 12b-1 plan. The shares of the Removed Portfolio are subject to such a plan, but the Portfolio currently does not make any payments under the plan.

<sup>14</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>15</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$4.4 billion, while the assets of the Removed Portfolio were approximately \$772 million.

*5. T. Rowe Price Equity Income Portfolio Replaced by EQ/Boston Advisors Equity Income Portfolio (Class IA Shares)*

As provided in the chart below and although the EQ/Boston Advisors Equity

Income Portfolio (the "Replacement Portfolio" for purposes of this discussion) is smaller than the T. Rowe Price Equity Income Portfolio (the "Removed Portfolio" for purposes of this discussion), the section 26 Applicants anticipate that the Replacement Portfolio's net annual operating expense ratio will be lower than that of the Removed Portfolio

immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | T. Rowe Price Equity Income Portfolio (percent) | EQ/Boston Advisors Equity Income Portfolio (percent) |
|-----------------------------------------------------------|-------------------------------------------------|------------------------------------------------------|
| Management Fee <sup>16</sup> .....                        | 0.85                                            | 0.75                                                 |
| Rule 12b-1 Fee .....                                      | None                                            | None                                                 |
| Other Expenses .....                                      | None                                            | 0.15                                                 |
| Total Annual Operating Expenses .....                     | 0.85                                            | <sup>17</sup> 0.9010                                 |
| Less Fee Waiver/Expense Reimbursement <sup>18</sup> ..... | N/A                                             | (0.10)                                               |
| Net Annual Operating Expenses .....                       | 0.85                                            | 0.80                                                 |

<sup>16</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.750% of the first \$1 billion; 0.700% on the next \$1 billion; 0.675% on the next \$3 billion; 0.650% on the next \$5 billion; and 0.625% thereafter. The management fee schedule of the Removed Portfolio does not include breakpoints.

<sup>17</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>18</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.80%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$449 million, while the assets of the Removed Portfolio were approximately \$2.0 billion.

*6. AIM V.I. Basic Value Fund (Series I Shares) Replaced by EQ/BlackRock Basic Value Equity Portfolio (Class IB Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the

EQ/BlackRock Basic Value Equity Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower than that of the AIM V.I. Basic Value Fund (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. The section 26 Applicants note that the Class IB shares of the Replacement Portfolio have adopted a plan pursuant

to Rule 12b-1 under the 1940 Act, while Series I shares of the Removed Portfolio are not subject to such a plan. However, the section 26 Applicants contend that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | AIM V.I. Basic Value Fund (percent) | EQ/BlackRock Basic Value Equity Portfolio (percent) |
|-----------------------------------------------------------|-------------------------------------|-----------------------------------------------------|
| Management Fee <sup>19</sup> .....                        | 0.72                                | 0.55                                                |
| Rule 12b-1 Fee <sup>20</sup> .....                        | None                                | 0.25                                                |
| Other Expenses .....                                      | 0.30                                | 0.14                                                |
| Total Annual Operating Expenses .....                     | 1.02                                | <sup>21</sup> 0.94                                  |
| Less Fee Waiver/Expense Reimbursement <sup>22</sup> ..... | (0.05)                              | 0.00                                                |
| Net Annual Operating Expenses .....                       | 0.97                                | 0.94                                                |

<sup>19</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.600% of the first \$1 billion; 0.550% on the next \$1 billion; 0.525% on the next \$3 billion; 0.500% on the next \$5 billion; and 0.475% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.725% of the first \$500 million in assets; 0.700% on the next \$500 million in assets; 0.675% on the next \$500 million in; 0.65% on assets over \$1.5 billion.

<sup>20</sup> Class IB shares of the Replacement Portfolio have adopted a plan pursuant to Rule 12b-1 under the 1940 Act while the Series I shares of the Removed Portfolio are not subject to such a plan. The maximum Rule 12b-1 fee for the Replacement Portfolio's Class IB shares is 0.50%, however, under an arrangement approved by the Trust's Board of Trustees, the Rule 12b-1 fee currently is limited to 0.25% of the average daily net assets attributable to the Portfolio's Class IB shares. This arrangement will be in effect at least until April 30, 2008.

<sup>21</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>22</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IB shares of the Portfolio do not exceed 0.95%. The manager of the Removed Portfolio has contractually agreed to waive advisory fees and/or reimburse expenses of the Portfolio through April 30, 2008 to the extent necessary to limit Annual Operating Expenses of Series I shares to 1.30%. The amount shown above in "Less Fee Waiver/Expense Reimbursement" for the Removed Portfolio reflects a voluntary management fee waiver by the Portfolio's adviser.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$3.6 billion, while the assets of the Removed Portfolio were approximately \$829 million.

*7. Dreyfus Appreciation Portfolio (Initial Shares) Replaced by EQ/AllianceBernstein Common Stock Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/AllianceBernstein Common Stock Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net

annual operating expense ratio will be lower than that of the Dreyfus Appreciation Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                       | Dreyfus Appreciation Portfolio (percent) | EQ/AllianceBernstein Common Stock Portfolio (percent) |
|---------------------------------------|------------------------------------------|-------------------------------------------------------|
| Management Fee <sup>23</sup> .....    | 0.75                                     | 0.47                                                  |
| Rule 12b-1 Fee .....                  | None                                     | None                                                  |
| Other Expenses .....                  | 0.07                                     | 0.13                                                  |
| Total Annual Operating Expenses ..... | 0.82                                     | <sup>24</sup> 0.60                                    |

<sup>23</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.550% of the first \$1 billion; 0.500% on the next \$1 billion; 0.475% on the next \$3 billion; 0.450% on the next \$5 billion; and 0.425% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.75% of the \$1 billion; 0.70% on the next \$1 billion; and 0.65% over \$2 billion.

<sup>24</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$9.5 billion, while the assets of the Removed Portfolio were approximately \$796 million.

*8. Fidelity Growth Opportunities Portfolio (Initial Class and Service Class Shares) Replaced by EQ/Capital Guardian Research Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Capital Guardian Research Portfolio's ("Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower,

respectively, than that of the Initial Class and Service Class shares of the Fidelity Growth Opportunities Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by increasing Portfolio assets and lowering annual operating expense ratios.

|                                                           | Fidelity Growth Opportunities Portfolio (Initial Class shares) (percent) | Fidelity Growth Opportunities Portfolio (Service Class shares) (percent) | EQ/Capital Guardian Research Portfolio (percent) |
|-----------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------|
| Management Fee <sup>25</sup> .....                        | 0.57                                                                     | 0.57                                                                     | 0.65                                             |
| Rule 12b-1 Fee <sup>26</sup> .....                        | None                                                                     | 0.10                                                                     | None                                             |
| Other Expenses .....                                      | 0.15                                                                     | 0.15                                                                     | 0.78                                             |
| Total Annual Operating Expenses .....                     | 0.72                                                                     | 0.82                                                                     | <sup>27</sup> 0.78                               |
| Less Fee Waiver/Expense Reimbursement <sup>28</sup> ..... | (0.00)                                                                   | (0.00)                                                                   | (0.08)                                           |
| Net Annual Operating Expenses .....                       | 0.72                                                                     | 0.82                                                                     | 0.70                                             |

<sup>25</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee rate for the Removed Portfolio is the sum of a group fee rate and an individual rate (0.30%). The group fee rate is based on the average net assets of all mutual funds advised by the Removed Portfolio's manager and includes breakpoints as total assets under management increase. The group fee rate cannot rise above 0.52%. The individual fee rate does not include breakpoints. The total management fee is calculated by adding the group fee rate to the individual fund fee rate, dividing by twelve, and multiplying the result by the Portfolio's average net assets throughout the month.

<sup>26</sup> Class IA shares of the Replacement Portfolio are not subject to a Rule 12b-1 plan. Initial Class and Service Class shares of the Removed Portfolio are subject to such a plan. The Rule 12b-1 plan for the Initial Class shares of the Removed Portfolio provides that the manager of the Portfolio may use its management fee revenues, as well as past profits or its resources from any other source, to pay the distributor for expenses incurred in connection with providing services intended to result in the sale of Initial Class shares.

<sup>27</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>28</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%. The Manager of the Removed Portfolio has voluntarily agreed to reimburse the Portfolio to the extent that the operating expenses of Initial Class and Service Class shares exceed 0.85% and 0.95%, respectively.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.1 billion, while the assets of the Removed Portfolio (including all share classes) were approximately \$561 million.

*9. OpCap Equity Portfolio Replaced by EQ/Capital Guardian Research Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Capital Guardian Research

Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower than that of the OpCap Equity Portfolio (the "Removed Portfolio" for purposes of this discussion)

immediately after the Substitution.  
Accordingly, the section 26 Applicants

represent that the Substitution will  
benefit the Contract owners and

participants by lowering the annual  
operating expense ratio.

|                                                           | OpCap Equity Portfolio<br>(percent) | EQ/Capital Guardian<br>Research Portfolio<br>(percent) |
|-----------------------------------------------------------|-------------------------------------|--------------------------------------------------------|
| Management Fee <sup>29</sup> .....                        | 0.80                                | 0.65                                                   |
| Rule 12b-1 Fee .....                                      | None                                | None                                                   |
| Other Expenses .....                                      | 0.36                                | 0.13                                                   |
| Total Annual Operating Expenses .....                     | 1.16                                | <sup>30</sup> 0.78                                     |
| Less Fee Waiver/Expense Reimbursement <sup>31</sup> ..... | (0.15)                              | (0.08)                                                 |
| Net Annual Operating Expenses .....                       | 1.01                                | 0.70                                                   |

<sup>29</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>30</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>31</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%. With respect to the Removed Portfolio, the investment adviser has contractually agreed through December 31, 2017 to reduce Total Annual Operating Expenses of the Removed Portfolio to the extent they would exceed 1.00% (net of any expenses offset by earnings credits from the custodian bank). Net Annual Operating Expenses do not reflect a reduction of custody expenses offset by custody credits earned on cash balances at the custodian bank. Thus, the number shown above in Net Annual Operating Expenses includes such custody expenses.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.1 billion, while the assets of the Removed Portfolio were approximately \$20 million.

*10. Oppenheimer Main Street Fund/VA (Service Sares) Replaced by EQ/Capital Guardian Research Portfolio (Class IA Shares)*

As provided in the chart below and although the EQ/Capital Guardian Research Portfolio (the "Replacement Portfolio" for purposes of this discussion) is smaller than the Oppenheimer Main Street Fund/VA (the "Removed Portfolio" for purposes of

this discussion), the Section 26 Applicants anticipate that the Replacement Portfolio's net annual operating expense ratio will be lower than that of the Removed Portfolio immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Oppenheimer Main<br>Street Fund/VA<br>(percent) | EQ/Capital Guardian<br>Research Portfolio<br>(percent) |
|-----------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|
| Management Fee <sup>32</sup> .....                        | 0.64                                            | 0.65                                                   |
| Rule 12b-1 Fee <sup>33</sup> .....                        | 0.25                                            | None                                                   |
| Other Expenses .....                                      | 0.02                                            | 0.13                                                   |
| Total Annual Operating Expenses .....                     | 0.91                                            | <sup>34</sup> 0.78                                     |
| Less Fee Waiver/Expense Reimbursement <sup>35</sup> ..... | 0.00                                            | (0.08)                                                 |
| Net Annual Operating Expenses .....                       | 0.91                                            | 0.70                                                   |

<sup>32</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.75% of the first \$200 million; 0.72% of the next \$200 million; 0.69% of the next \$200 million; 0.66% of the next \$200 million; and 0.60% of average annual net assets in excess of \$800 million.

<sup>33</sup> Class IA shares of the Replacement Portfolio are not subject to a Rule 12b-1 plan. Service shares of the Removed Portfolio are subject to such a plan.

<sup>34</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>35</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%. The Removed Portfolio's transfer agent has voluntarily agreed to limit transfer and shareholder servicing agent fees (as reflected in "other expenses") to 0.35% per fiscal year. For the fiscal year ended December 31, 2006, the transfer agent fees did not exceed the expense limit.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.1 billion, while the assets of the Removed Portfolio were approximately \$2.1 billion.

*11. AIM V.I. Mid Cap Core Equity Portfolio (Series I Shares) Replaced by EQ/FI Mid Cap Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/FI Mid Cap Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating

expense ratio will be lower than that of the AIM V.I. Mid Cap Core Equity Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                                                   | AIM V.I. Mid Cap Core<br>Equity Fund<br>(percent) | EQ/FI Mid Cap Portfolio<br>(percent) |
|-----------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------|
| Management Fee <sup>36</sup> .....                                                | 0.72                                              | 0.68                                 |
| Rule 12b-1 Fee .....                                                              | None                                              | None                                 |
| Other Expenses .....                                                              | 0.32                                              | 0.15                                 |
| Acquired Fund Fees and Expenses .....                                             | 0.02                                              | N/A                                  |
| Total Annual Operating Expenses (including Acquired Fund Fees and Expenses) ..... | 1.06                                              | <sup>37</sup> 0.83                   |
| Less Fee Waiver/Expense Reimbursement <sup>38</sup> .....                         | 0.00                                              | (0.08)                               |
| Net Annual Operating Expenses (including Acquired Fund Fees and Expenses) .....   | 1.06                                              | 0.75                                 |

<sup>36</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.700% of the first \$1 billion; 0.650% on the next \$1 billion; 0.625% on the next \$3 billion; 0.600% on the next \$5 billion; and 0.575% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.725% of the first \$500 million in assets; 0.700% on the next \$500 million in assets; 0.675% on the next \$500 million in assets; 0.65% on assets over \$1.5 billion.

<sup>37</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>38</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.75%. The manager of the Removed Portfolio has contractually agreed to waive its advisory fees and/or reimburse expenses of the Portfolio, through April 30, 2008, to the extent necessary to limit Total Annual Operating Expenses of Series I shares to 1.30%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.6 billion, while the assets of the Removed Portfolio were approximately \$638 million.

*12. Alger American MidCap Growth Portfolio (Class O shares) Replaced by EQ/Van Kampen Mid Cap Growth Portfolio (Class IA Shares)*

As provided in the chart below and although the EQ/Van Kampen Mid Cap Growth Portfolio (the "Replacement Portfolio" for purposes of this discussion) is smaller than the Alger American MidCap Growth Portfolio (the "Removed Portfolio" for purposes of

this discussion), the section 26 Applicants anticipate that the Replacement Portfolio's net annual operating expense ratio will be lower than that of the Removed Portfolio immediately after the Substitution. Accordingly, the Section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Alger American MidCap<br>Growth Portfolio<br>(percent) | EQ/Van Kampen Mid Cap<br>Growth Portfolio<br>(percent) |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Management Fee <sup>39</sup> .....                        | 0.76                                                   | 0.70                                                   |
| Rule 12b-1 Fee .....                                      | None                                                   | None                                                   |
| Other Expenses .....                                      | 0.15                                                   | 0.23                                                   |
| Total Annual Operating Expenses .....                     | 0.91                                                   | <sup>40</sup> 0.93                                     |
| Less Fee Waiver/Expense Reimbursement <sup>41</sup> ..... | N/A                                                    | (0.13)                                                 |
| Net Annual Operating Expenses .....                       | 0.91                                                   | 0.80                                                   |

<sup>39</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.700% of the first \$1 billion; 0.650% on the next \$1 billion; 0.625% on the next \$3 billion; 0.600% on the next \$5 billion; and 0.575% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>40</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>41</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.80%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$139 million, while the assets of the Removed Portfolio were approximately \$333 million.

*13. MFS Mid Cap Growth Series (Initial Class Shares) Replaced by EQ/Van Kampen Mid Cap Growth Portfolio (Class IA Shares)*

As provided in the chart below and although the EQ/Van Kampen Mid Cap Growth Portfolio (the "Replacement Portfolio" for purposes of this discussion) is smaller than the MFS Mid Cap Growth Series (the "Removed Portfolio" for purposes of this

discussion), the section 26 Applicants anticipate that the Replacement Portfolio's net annual operating expense ratio will be lower than that of the Removed Portfolio immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | MFS Mid Cap Growth Series<br>(percent) | EQ/Van Kampen Mid Cap Growth Portfolio<br>(percent) |
|-----------------------------------------------------------|----------------------------------------|-----------------------------------------------------|
| Management Fee <sup>42</sup> .....                        | 0.75                                   | 0.70                                                |
| Rule 12b-1 Fee .....                                      | None                                   | None                                                |
| Other Expenses .....                                      | 0.15                                   | 0.23                                                |
| Total Annual Operating Expenses .....                     | 0.90                                   | <sup>43</sup> 0.93                                  |
| Less Fee Waiver/Expense Reimbursement <sup>44</sup> ..... | N/A                                    | (0.13)                                              |
| Net Annual Operating Expenses .....                       | 0.90                                   | 0.80                                                |

<sup>42</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.700% of the first \$1 billion; 0.650% on the next \$1 billion; 0.625% on the next \$3 billion; 0.600% on the next \$5 billion; and 0.575% thereafter.

<sup>43</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>44</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.80%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$139 million, while the assets of the Removed Portfolio were approximately \$233 million.

**14. Dreyfus Small Cap Stock Index Portfolio (Service Shares) Replaced by EQ/Small Company Index Portfolio (Class IA Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Small Company Index Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual

operating expense ratio will be lower than that of the Dreyfus Small Cap Stock Index Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Dreyfus Small Cap Stock Index Portfolio<br>(percent) | EQ/Small Company Index Portfolio<br>(percent) |
|-----------------------------------------------------------|------------------------------------------------------|-----------------------------------------------|
| Management Fee <sup>45</sup> .....                        | 0.35                                                 | 0.25                                          |
| Rule 12b-1 Fee <sup>46</sup> .....                        | 0.25                                                 | None                                          |
| Other Expenses .....                                      | 0.01                                                 | 0.16                                          |
| Acquired Fund Fees and Expenses .....                     | 0.02                                                 | 0.01                                          |
| Total Annual Operating Expenses .....                     | 0.63                                                 | <sup>47</sup> 0.42                            |
| Less Fee Waiver/Expense Reimbursement <sup>48</sup> ..... | N/A                                                  | 0.00                                          |
| Net Annual Operating Expenses .....                       | 0.63                                                 | 0.42                                          |

<sup>45</sup> The management fee schedules for the Replacement Portfolio and Removed Portfolio do not include breakpoints.

<sup>46</sup> Class IA shares of the Replacement Portfolio are not subject to a Rule 12b-1 plan. The Service shares of the Removed Portfolio are subject to such a plan.

<sup>47</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>48</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.60%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.1 billion, while the assets in the Removed Portfolio were approximately \$466 million.

**15. OpCap Small Cap Portfolio Replaced by EQ/Small Company Index Portfolio (Class IA Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Small Company Index Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower

than that of the OpCap Small Cap Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the Section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | OpCap Small Cap<br>Portfolio<br>(percent) | EQ/Small Company<br>Index Portfolio<br>(percent) |
|-----------------------------------------------------------|-------------------------------------------|--------------------------------------------------|
| Management Fee <sup>49</sup> .....                        | 0.80                                      | 0.25                                             |
| Rule 12b-1 Fee .....                                      | None                                      | None                                             |
| Other Expenses .....                                      | 0.13                                      | 0.16                                             |
| Acquired Fund Fees and Expenses .....                     | N/A                                       | 0.01                                             |
| Total Annual Operating Expenses .....                     | 0.93                                      | <sup>50</sup> 0.42                               |
| Less Fee Waiver/Expense Reimbursement <sup>51</sup> ..... | 0.00                                      | 0.00                                             |
| Net Annual Operating Expenses .....                       | 0.93                                      | 0.42                                             |

<sup>49</sup> The management fee schedules for the Replacement Portfolio and Removed Portfolio do not include breakpoints.

<sup>50</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>51</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.60%. With respect to the Removed Portfolio, the investment adviser has agreed through December 31, 2015 to reduce Annual Operating Expenses of the Removed Portfolio to the extent they would exceed 1.00% (net of any expenses offset by earnings credits from the custodian bank). Net Annual Operating Expenses do not reflect a reduction of custody expenses offset by custody credits earned on cash balances at the custodian bank.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.1 billion, while the assets of the Removed Portfolio were approximately \$175 million.

*16. MFS New Discovery Series (Initial Class Shares) Replaced by EQ/AllianceBernstein Small Cap Growth Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/AllianceBernstein Small Cap Growth Portfolio's (the "Replacement Portfolio" for purposes of this

discussion) net annual operating expense ratio will be lower than that of the MFS New Discovery Series (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                       | MFS New Discovery<br>Series (Initial shares)<br>(percent) | EQ/Alliance Bernstein<br>Cap Growth Portfolio<br>(percent) |
|---------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|
| Management Fee <sup>52</sup> .....    | 0.90                                                      | 0.74                                                       |
| Rule 12b-1 Fee .....                  | None                                                      | None                                                       |
| Other Expenses .....                  | 0.13                                                      | 0.13                                                       |
| Total Annual Operating Expenses ..... | 1.03                                                      | <sup>53</sup> 0.87                                         |

<sup>52</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.750% of the first \$1 billion; 0.700% on the next \$1 billion; 0.675% on the next \$3 billion; 0.650% on the next \$5 billion; and 0.625% thereafter.

<sup>53</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.2 billion, while the assets of the Removed Portfolio were approximately \$819 million.

*17. Janus Flexible Bond Portfolio (Institutional and Service Shares) Replaced by EQ/JPMorgan Core Bond Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the Class IA shares of the EQ/JPMorgan Core Bond Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower,

respectively, than that of the Institutional and Service shares of the Janus Flexible Bond Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering annual operating expense ratios.

|                                                           | Janus Flexible Bond<br>Portfolio<br>(Institutional shares)<br>(percent) | Janus Flexible Bond<br>Portfolio<br>(Service shares)<br>(percent) | EQ/JPMorgan Core<br>Bond Portfolio<br>(Class IA shares)<br>(percent) |
|-----------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------|
| Management Fee <sup>54</sup> .....                        | 0.55                                                                    | 0.55                                                              | 0.44                                                                 |
| Rule 12b-1 Fee <sup>55</sup> .....                        | None                                                                    | 0.25                                                              | None                                                                 |
| Other Expenses .....                                      | 0.10                                                                    | 0.10                                                              | 0.15                                                                 |
| Total Annual Operating Expenses .....                     | 0.65                                                                    | 0.90                                                              | <sup>56</sup> 0.59                                                   |
| Less Fee Waiver/Expense Reimbursement <sup>57</sup> ..... | 0.00                                                                    | 0.00                                                              | 0.00                                                                 |
| Net Annual Operating Expenses .....                       | 0.65                                                                    | 0.90                                                              | 0.59                                                                 |

<sup>54</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.450% of the first \$750 million; 0.425% on the next \$750 million; 0.400% on the next \$1 billion; 0.380% on the next \$2.5 billion; and 0.370% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>55</sup> Class IA shares of the Replacement Portfolio and Institutional shares of the Removed Portfolio are not subject to Rule 12b-1 plans. The Service shares of the Removed Portfolio are subject to such a plan.

<sup>56</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>57</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008 pursuant to an expense limitation agreement so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.60%. The manager of the Removed Portfolio has contractually agreed to waive the Portfolio's total operating expenses through May 1, 2008 such that they do not exceed 0.90% for Institutional and Service shares.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.6 billion, while the assets of the Removed Portfolio (including all share classes) were approximately \$292 million.

*18. PIMCO Total Return Portfolio (Administrative Shares) Replaced by EQ/JPMorgan Core Bond Portfolio (Class IA Shares)*

As provided in the chart below and although the Class IA shares of the EQ/JPMorgan Core Bond Portfolio (the "Replacement Portfolio" for purposes of this discussion) is smaller than the PIMCO Total Return Portfolio (the "Removed Portfolio" for purposes of

this discussion), the section 26 Applicants anticipate that the Replacement Portfolio's net annual operating expense ratio will be lower than that of the Removed Portfolio immediately after the Substitution. Accordingly, the Section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | PIMCO Total Return<br>Portfolio<br>(percent) | EQ/JPMorgan Core<br>Bond<br>Portfolio<br>(percent) |
|-----------------------------------------------------------|----------------------------------------------|----------------------------------------------------|
| Management Fee <sup>58</sup> .....                        | 0.25                                         | 0.44                                               |
| Rule 12b-1 Fee .....                                      | None                                         | None                                               |
| Other Expenses .....                                      | 0.40%                                        | 0.15%                                              |
| Total Annual Operating Expenses .....                     | 0.65                                         | <sup>59</sup> 0.59                                 |
| Less Fee Waiver/Expense Reimbursement <sup>60</sup> ..... | N/A                                          | 0.00                                               |
| Net Annual Operating Expenses .....                       | 0.65                                         | 0.59                                               |

<sup>58</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.450% of the first \$750 million; 0.425% on the next \$750 million; 0.400% on the next \$1 billion; 0.380% on the next \$2.5 billion; and 0.370% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>59</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>60</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.60%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.6 billion, while the assets of the Removed Portfolio were approximately \$3.3 billion.

*19. Universal Core Plus Fixed Income Portfolio (Class I shares) Replaced by EQ/JPMorgan Core Bond Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/JPMorgan Core Bond Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower than that of

the Universal Core Plus Fixed Income Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Universal Core Plus<br>Fixed Income<br>Portfolio<br>(percent) | EQ/JPMorgan Core<br>Bond<br>Portfolio<br>(percent) |
|-----------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------|
| Management Fee <sup>61</sup> .....                        | 0.38                                                          | 0.44                                               |
| Rule 12b-1 Fee .....                                      | None                                                          | None                                               |
| Other Expenses .....                                      | 0.30                                                          | 0.15                                               |
| Total Annual Operating Expenses .....                     | 0.68                                                          | <sup>62</sup> 0.59                                 |
| Less Fee Waiver/Expense Reimbursement <sup>63</sup> ..... | 0.00                                                          | 0.00                                               |
| Net Annual Operating Expenses .....                       | 0.68                                                          | 0.59                                               |

<sup>61</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.450% of the first \$750 million; 0.425% on the next \$750 million; 0.400% on the next \$1 billion; 0.380% on the next \$2.5 billion; and 0.370% thereafter. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.375% up to \$1 billion; 0.30% over \$1 billion.

<sup>62</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>63</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.60%. The manager of the Removed Portfolio has voluntarily agreed to reduce its advisory fee and/or reimburse the Portfolio so that annual operating expenses will not exceed 0.70%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$1.6 billion, while the assets of the Removed Portfolio were approximately \$424 million.

*20. OpCap Renaissance Portfolio Replaced by EQ/Lord Abbett Mid Cap Value Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Lord Abbett Mid Cap Value Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be

lower than that of the OpCap Renaissance Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | OpCap Renaissance<br>Portfolio<br>(percent) | EQ/Lord Abbett Mid Cap<br>Value<br>Portfolio<br>(percent) |
|-----------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------|
| Management Fee <sup>64</sup> .....                        | 0.80                                        | 0.70                                                      |
| Rule 12b-1 Fee .....                                      | None                                        | None                                                      |
| Other Expenses .....                                      | 0.29                                        | 0.18                                                      |
| Total Annual Operating Expenses .....                     | 1.09                                        | <sup>65</sup> 0.88                                        |
| Less Fee Waiver/Expense Reimbursement <sup>66</sup> ..... | (0.07)                                      | (0.08)                                                    |
| Net Annual Operating Expenses .....                       | 1.02                                        | 0.80                                                      |

<sup>64</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.700% of the first \$1 billion; 0.650% on the next \$1 billion; 0.625% on the next \$3 billion; 0.600% on the next \$5 billion; and 0.575% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>65</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>66</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008 pursuant to an expense limitation agreement so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.80%. With respect to the Removed Portfolio, the investment adviser has contractually agreed through December 31, 2017 to reduce Total Annual Operating Expenses of the Removed Portfolio to the extent they would exceed 1.00% (net of any expenses offset by earnings credits from the custodian bank).

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$322 million, while the assets of the Removed Portfolio were approximately \$35 million.

*21. T. Rowe Price New America Growth Portfolio Replaced by EQ/Capital Guardian Growth Portfolio (Class IA Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the EQ/Capital Guardian Growth Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower

than that of the T. Rowe Price New America Growth Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | T. Rowe Price New America<br>Growth Portfolio<br>(percent) | EQ/Capital Guardian<br>Growth Portfolio<br>(percent) |
|-----------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|
| Management Fee <sup>67</sup> .....                        | 0.85                                                       | 0.65                                                 |
| Rule 12b-1 Fee .....                                      | None                                                       | None                                                 |
| Other Expenses .....                                      | 0.00                                                       | 0.16                                                 |
| Total Annual Operating Expenses .....                     | 0.85                                                       | <sup>68</sup> 0.81                                   |
| Less Fee Waiver/Expense Reimbursement <sup>69</sup> ..... | N/A                                                        | (0.11)                                               |
| Net Annual Operating Expenses .....                       | 0.85                                                       | 0.70                                                 |

<sup>67</sup> The management fee schedule for the Replacement Portfolio on an annual basis is equal to 0.650% of the first \$1 billion; 0.600% on the next \$1 billion; 0.575% on the next \$3 billion; 0.550% on the next \$5 billion; and 0.525% thereafter. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>68</sup> The total annual operating expenses of the Replacement Portfolio have been restated to reflect recent changes to the administration fees charged with respect to that Portfolio, as described in footnote 5.

<sup>69</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA shares of the Portfolio do not exceed 0.70%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$402 million, while the assets of the Removed Portfolio were approximately \$91 million.

*22. Universal U.S. Real Estate Portfolio (Class I and Class II Shares) Replaced by EQ/Van Kampen Real Estate Portfolio (Class IA and Class IB Shares)*

Under the proposed Substitutions, the Insurance Companies would substitute

Class IA and Class IB shares of the EQ/Van Kampen Real Estate Portfolio (the "Replacement Portfolio" for purposes of this discussion) for Class I and Class II shares, respectively, of the Universal U.S. Real Estate Portfolio (the "Removed Portfolio" for purposes of this discussion). As provided in the chart below, the Section 26 Applicants anticipate that the net annual operating expense ratios of the Class IA and Class

IB shares of the Replacement Portfolio will be the same as those of the corresponding class of shares of the Removed Portfolio immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by maintaining annual operating expense ratios.

|                                                           | Universal U.S.<br>Real Estate Portfolio<br>(Class I shares)<br>(percent) | EQ/Van Kampen<br>Real Estate Portfolio<br>(Class IA shares)*<br>(percent) |
|-----------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Management Fee <sup>70</sup> .....                        | 0.74%                                                                    | 0.90%                                                                     |
| Rule 12b-1 Fee .....                                      | None                                                                     | None                                                                      |
| Other Expenses .....                                      | 0.27                                                                     | 0.13                                                                      |
| Total Annual Operating Expenses .....                     | 1.01                                                                     | 1.03                                                                      |
| Less Fee Waiver/Expense Reimbursement <sup>71</sup> ..... | (0.00)                                                                   | (0.02)                                                                    |
| Net Annual Operating Expenses .....                       | 1.01                                                                     | 1.01                                                                      |

  

|                                                           | Universal U.S.<br>Real Estate Portfolio<br>(Class II shares)<br>(percent) | EQ/Van Kampen<br>Real Estate Portfolio<br>(Class IB shares)*<br>(percent) |
|-----------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Management Fee <sup>70</sup> .....                        | 0.74                                                                      | 0.90                                                                      |
| Rule 12b-1 Fee <sup>72</sup> .....                        | 0.35                                                                      | 0.25                                                                      |
| Other Expenses .....                                      | 0.27                                                                      | 0.13                                                                      |
| Total Annual Operating Expenses .....                     | 1.36                                                                      | 1.28                                                                      |
| Less Fee Waiver/Expense Reimbursement <sup>71</sup> ..... | (0.10)                                                                    | (0.02)                                                                    |
| Net Annual Operating Expenses .....                       | 1.26                                                                      | 1.26                                                                      |

\* The EQ/Van Kampen Real Estate Portfolio is a newly created Portfolio, therefore, the fees and expenses presented in the table above are estimates for the current fiscal period.

<sup>70</sup> The annual management fee rate for the Replacement Portfolio as a percentage of the Portfolio's average daily net assets is equal to 0.90% on the first \$1 billion; 0.85% on the next \$1 billion; 0.825% on the next \$3 billion; 0.80% on the next \$5 billion; and 0.775% thereafter. The annual management fee rate for the Removed Portfolio as a percentage of the Portfolio's average daily net assets is equal to 0.80% on the first \$500 million; 0.75% from \$500 million to \$1 billion; and 0.70% thereafter.

<sup>71</sup> The Manager of the Replacement Portfolio has agreed to make payments or waive its management, administrative and other fees to limit the expenses of the Portfolio through April 30, 2008, pursuant to an expense limitation agreement, so that the Net Annual Operating Expenses of the Class IA and Class IB shares of the Portfolio do not exceed an annual rate of 1.01% and 1.26%, respectively. The adviser of the Removed Portfolio has voluntarily agreed to reduce its advisory fee and/or reimburse the Portfolio so that the Annual Operating Expenses of the Class I and Class II shares of the Portfolio do not exceed an annual rate of 1.10% and 1.35%, respectively. The amount shown above in "Less Fee Waiver/Expense Reimbursement" for the Class II shares of the Removed Portfolio includes a voluntary fee waiver by the Portfolio's distributor.

<sup>72</sup> Class II shares of the Removed Portfolio and Class IB shares of the Replacement Portfolio are subject to a Rule 12b-1 plan. The maximum Rule 12b-1 fee for the Removed Portfolio's Class II shares is 0.35%. The maximum Rule 12b-1 fee for the Replacement Portfolio's Class IB shares is 0.50%, however, under an arrangement approved by the Trust's Board of Trustees, the Rule 12b-1 fee currently is limited to 0.25% of the average daily net assets attributable to the Portfolio's Class IB shares. This arrangement will be in effect at least until April 30, 2008.

As of December 31, 2006, the Assets of the Removed Portfolio (including all share classes) were approximately \$2.6 billion.

**23. Alger American Balanced Portfolio (Class O Shares) Replaced by Franklin Income Securities Fund (Class 2 Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the Franklin Income Securities Fund's (the "Replacement Portfolio" for purposes of this discussion) net annual operating

expense ratio will be lower than that of the Alger American Balanced Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Alger American Balanced Portfolio (percent) | Franklin Income Securities Fund (percent) |
|-----------------------------------------------------------|---------------------------------------------|-------------------------------------------|
| Management Fee <sup>73</sup> .....                        | 0.71                                        | 0.46                                      |
| Rule 12b-1 Fee <sup>74</sup> .....                        | None                                        | 0.25                                      |
| Other Expenses .....                                      | 0.15                                        | 0.01                                      |
| Total Annual Operating Expenses .....                     | 0.86                                        | 0.72                                      |
| Less Fee Waiver/Expense Reimbursement <sup>75</sup> ..... | (0.04)                                      | N/A                                       |
| Net Annual Operating Expenses .....                       | 0.82                                        | 0.72                                      |

<sup>73</sup> The management fee schedule for the Replacement Portfolio is equal to 0.625% of the value of net assets up to and including \$100 million; plus 0.50% of the value of net assets over \$100 million up to and including \$250 million; plus 0.45% of the value of net assets over \$250 million up to and including \$10 billion; plus 0.44% of the value of net assets over \$10 billion up to and including \$12.5 billion; plus 0.42% of the value of net assets over \$12.5 billion up to and including \$15 billion; plus 0.40% of the value of net assets over \$15 billion. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>74</sup> The Removed Portfolio is not subject to a Rule 12b-1 plan, but the Replacement Portfolio is subject to such a plan. The maximum Rule 12b-1 fee for the Replacement Portfolio's Class 2 shares is 0.35%, however, the Portfolio's board of trustees has set the current rate at 0.25% per year until through May 1, 2008.

<sup>75</sup> Effective December 1, 2006 through November 30, 2011, the manager of the Removed Portfolio has contractually agreed to waive 0.04% of its advisory fees.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$5.6 billion, while the assets of the Removed Portfolio were approximately \$286 million.

**24. MFS Total Return Series (Initial Class Shares) Replaced by Franklin Income Securities Fund (Class 2 Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the Franklin Income Securities Fund's (the "Replacement Portfolio" for purposes of this discussion) net annual operating

expense ratio will be lower than that of the MFS Total Return Series (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | MFS Total Return Series (percent) | Franklin Income Securities Fund (percent) |
|-----------------------------------------------------------|-----------------------------------|-------------------------------------------|
| Management Fee <sup>76</sup> .....                        | 0.75                              | 0.46                                      |
| Rule 12b-1 Fee <sup>77</sup> .....                        | None                              | 0.25                                      |
| Other Expenses .....                                      | 0.10                              | 0.01                                      |
| Total Annual Operating Expenses .....                     | 0.85                              | 0.72                                      |
| Less Fee Waiver/Expense Reimbursement <sup>78</sup> ..... | (0.02)                            | N/A                                       |
| Net Annual Operating Expenses .....                       | 0.83                              | 0.72                                      |

<sup>76</sup> The management fee schedule for the Replacement Portfolio is equal to 0.625% of the value of net assets up to and including \$100 million; plus 0.50% of the value of net assets over \$100 million up to and including \$250 million; plus 0.45% of the value of net value over \$250 million up to and including \$10 billion; plus 0.44% of the value of net assets over \$10 billion up to and including \$12.5 billion; plus 0.42% of the value of net assets over \$12.5 billion up to and including \$15 billion; plus 0.40% of the value of net assets over \$15 billion.

<sup>77</sup> The Removed Portfolio is not subject to a Rule 12b-1 plan, but the Replacement Portfolio is subject to such a plan. The maximum Rule 12b-1 fee for the Replacement Portfolio's Class 2 shares is 0.35%, however, the Portfolio's board of trustees has set the current rate at 0.25% per year until through May 1, 2008.

<sup>78</sup> The Removed Portfolio's management fee as set forth in its advisory agreement is 0.75% of average daily net assets annually. The Removed Portfolio's adviser has agreed in writing to reduce its management fee to 0.65% on average daily net assets in excess of \$3 billion. For the Removed Portfolio's most recent fiscal year, the effective management fee was 0.73% of average daily net assets. This written agreement will remain in effect until modified by the Removed Portfolio's board of trustees.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$5.6 billion, while the assets of the Removed Portfolio were approximately \$3.9 billion.

**25. T. Rowe Price Personal Strategy Balanced Portfolio Replaced by Franklin Income Securities Fund (Class 2 Shares)**

As provided in the chart below, the section 26 Applicants anticipate that the Franklin Income Securities Fund's (the "Replacement Portfolio" for purposes of this discussion) net annual operating

expense ratio will be lower than that of the T. Rowe Price Personal Strategy Balanced Portfolio (the "Removed Portfolio" for purposes of this discussion) immediately after the Substitution. Accordingly, the section 26 Applicants represent that the Substitution will benefit the Contract

owners and participants by lowering the annual operating expense ratio.

|                                                           | T. Rowe Price<br>Personal Strategy<br>Balanced Portfolio<br>(percent) | Franklin Income<br>Securities Fund<br>(percent) |
|-----------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------|
| Management Fee <sup>79</sup> .....                        | 0.90                                                                  | 0.46                                            |
| Rule 12b-1 Fee <sup>80</sup> .....                        | None                                                                  | 0.25                                            |
| Other Expenses .....                                      | None                                                                  | 0.01                                            |
| Total Annual Operating Expenses .....                     | 0.90                                                                  | 0.72                                            |
| Less Fee Waiver/Expense Reimbursement <sup>81</sup> ..... | (0.02)                                                                | N/A                                             |
| Net Annual Operating Expenses .....                       | 0.88                                                                  | 0.72                                            |

<sup>79</sup> The management fee schedule for the Replacement Portfolio is equal to 0.625% of the value of net assets up to and including \$100 million; plus 0.50% of the value of net assets over \$100 million up to and including \$250 million; plus 0.45% of the value of net assets over \$250 million up to and including \$10 billion; plus 0.44% of the value of net assets over \$10 billion up to and including \$12.5 billion; plus 0.42% of the value of net assets over \$12.5 billion up to and including \$15 billion; plus 0.40% of the value of net assets over \$15 billion. The management fee schedule for the Removed Portfolio does not include breakpoints.

<sup>80</sup> The Removed Portfolio is not subject to a Rule 12b-1 plan, but the Replacement Portfolio is subject to such a plan. The maximum Rule 12b-1 fee for the Replacement Portfolio's Class 2 shares is 0.35%, however, the Portfolio's board of trustees has set the current rate at 0.25% per year until through May 1, 2008.

<sup>81</sup> Reflects a credit received from investing in another T. Rowe Price Fund.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$5.6 billion, while the assets of the Removed Portfolio were approximately \$178 million.

*26. Fidelity Growth Portfolio (Initial Class and Service Class Shares)  
Replaced by Fidelity Contrafund  
Portfolio (Initial Class and Service Class  
Shares)*

Under the proposed Substitution, the Insurance Companies would substitute

Initial Class and Service Class shares of the Fidelity Contrafund Portfolio (the "Replacement Portfolio" for purposes of this discussion) for Initial Class and Service Class shares, respectively, of the Fidelity Growth Portfolio (the "Removed Portfolio" for purposes of this discussion). As provided in the chart below, the section 26 Applicants anticipate that the net annual operating expense ratio of each of the Initial Class shares and Service Class shares of the

Replacement Portfolio will be lower than that of the corresponding class of shares of the Removed Portfolio immediately after the Substitution. Accordingly, the Section 26 Applicants represent that the Substitution will benefit the Contract owners and participants by lowering annual operating expense ratios.

|                                                           | Fidelity Growth Portfolio<br>(Initial Class shares)<br>(percent) | Fidelity Contrafund<br>Portfolio<br>(Initial Class shares)<br>(percent) |
|-----------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------|
| Management Fee <sup>82</sup> .....                        | 0.57                                                             | 0.57                                                                    |
| Rule 12b-1 Fee <sup>83</sup> .....                        | None                                                             | None                                                                    |
| Other Expenses .....                                      | 0.11                                                             | 0.09                                                                    |
| Total Annual Operating Expenses .....                     | 0.68                                                             | 0.66                                                                    |
| Less Fee Waiver/Expense Reimbursement <sup>84</sup> ..... | (0.00)                                                           | (0.00)                                                                  |
| Net Annual Operating Expenses .....                       | 0.68                                                             | 0.66                                                                    |
|                                                           | Fidelity Growth Portfolio<br>(Service Class shares)<br>(percent) | Fidelity Contrafund<br>Portfolio<br>(Service Class shares)<br>(percent) |
| Management Fee <sup>82</sup> .....                        | 0.57                                                             | 0.57                                                                    |
| Rule 12b-1 Fee <sup>83</sup> .....                        | 0.10                                                             | 0.10                                                                    |
| Other Expenses .....                                      | 0.11                                                             | 0.09                                                                    |
| Total Annual Operating Expenses .....                     | 0.78                                                             | 0.76                                                                    |
| Less Fee Waiver/Expense Reimbursement <sup>84</sup> ..... | (0.00)                                                           | (0.00)                                                                  |
| Net Annual Operating Expenses .....                       | 0.78                                                             | 0.76                                                                    |

<sup>82</sup> The management fee rate for the Replacement and Removed Portfolios is the sum of a group fee rate and an individual rate (0.30%). The group fee rate is based on the average net assets of all mutual funds advised by the Replacement and Removed Portfolios' manager and includes breakpoints as total assets under management increase. The group fee rate cannot rise above 0.52%. The individual fee rate does not include breakpoints. The total management fee is calculated by adding the group fee rate to the individual fund fee rate, dividing by twelve, and multiplying the result by the Portfolio's average net assets throughout the month.

<sup>83</sup> Initial Class shares and Service Class shares of the Replacement and Removed Portfolios are subject to Rule 12b-1 plans. The Rule 12b-1 plan for the Initial Class shares of the Removed and Replacement Portfolios provides that the manager of the Portfolios may use its management fee revenues, as well as past profits or its resources from any other source, to pay the distributor for expenses incurred in connection with providing services intended to result in the sale of Initial Class shares. Such payments have also been authorized by the trust's board of trustees for the Service Class shares of the Removed and Replacement Portfolios. In addition, the maximum Rule 12b-1 fee for the Removed and Replacement Portfolios' Service Class shares is 0.25%; however, each Portfolio currently pays a fee at an annual rate of 0.10%.

<sup>84</sup> The Manager of the Replacement and Removed Portfolios has voluntarily agreed to reimburse each Portfolio to the extent that the operating expenses of Initial Class and Service Class shares exceed 0.85% and 0.95%, respectively.

As of December 31, 2006, the assets of the Replacement Portfolio (including all share classes) were approximately \$21 billion, while the assets of the Removed Portfolio (including all share classes) were approximately \$7.2 billion.

*27. Universal Equity Growth Portfolio (Class I Shares) Replaced by Fidelity Contrafund Portfolio (Initial Class Shares)*

As provided in the chart below, the section 26 Applicants anticipate that the Fidelity Contrafund Portfolio's (the "Replacement Portfolio" for purposes of this discussion) net annual operating expense ratio will be lower than that of the Universal Equity Growth Portfolio (the "Removed Portfolio" for purposes

of this discussion) immediately after the Substitution. The section 26 Applicants note that the Initial Class shares of the Replacement Portfolio have adopted a plan pursuant to Rule 12b-1 under the 1940 Act, while Class I shares of the Removed Portfolio are not subject to such a plan. However, the section 26 Applicants contend that the Substitution will benefit the Contract owners and participants by lowering the annual operating expense ratio.

|                                                           | Universal Equity Growth Portfolio<br>(percent) | Fidelity Contrafund Portfolio<br>(Initial Class shares)<br>(percent) |
|-----------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------|
| Management Fee <sup>85</sup> .....                        | 0.50                                           | 0.57                                                                 |
| Rule 12b-1 Fee <sup>86</sup> .....                        | None                                           | None                                                                 |
| Other Expenses .....                                      | 0.34                                           | 0.09                                                                 |
| Total Annual Operating Expenses .....                     | 0.84                                           | 0.66                                                                 |
| Less Fee Waiver/Expense Reimbursement <sup>87</sup> ..... | 0.00                                           | (0.00)                                                               |
| Net Annual Operating Expenses .....                       | 0.84                                           | 0.66                                                                 |

<sup>85</sup> The management fee rate for the Replacement Portfolio is the sum of a group fee rate and an individual rate (0.30%). The group fee rate is based on the average net assets of all mutual funds advised by the Replacement Portfolio's manager and includes breakpoints as total assets under management increase. The group fee rate cannot rise above 0.52%. The individual fee rate does not include breakpoints. The total management fee is calculated by adding the group fee rate to the individual fund fee rate, dividing by twelve, and multiplying the result by the Portfolio's average net assets throughout the month. The management fee schedule for the Removed Portfolio on an annual basis is equal to 0.50% on the first \$1 billion in assets; 0.45% on assets from \$1 billion to \$2 billion; 0.40% on assets from \$2 billion to \$3 billion; and 0.35% on assets over \$3 billion.

<sup>86</sup> The Removed Portfolio is not subject to a Rule 12b-1 plan, but the Replacement Portfolio is subject to such a plan. The Rule 12b-1 plan for the Initial Class shares of the Removed Portfolio provides that the manager of the Portfolio may use its management fee revenues, as well as past profits or its resources from any other source, to pay the distributor for expenses incurred in connection with providing services intended to result in the sale of Initial shares.

<sup>87</sup> The Manager of the Replacement Portfolio has voluntarily agreed to reimburse the Portfolio to the extent that the total operating expenses of Initial shares exceed 0.85%. The manager of the Removed Portfolio has voluntarily agreed to reduce its advisory fee and/or reimburse the Portfolio so that total annual operating expenses, excluding certain investment-related expenses, will not exceed 0.85%.

As of December 31, 2006, the assets of the Replacement Portfolio were approximately \$21 billion, while the assets of the Removed Portfolio were approximately \$150 million.

22. The section 26 Applicants currently expect that the proposed Substitutions will be carried out on or about August 17, 2007 or as soon as reasonably practical thereafter ("Substitution Date") and by supplements to the prospectuses for the Contracts and Separate Accounts, which were delivered to Contract owners and participants at least thirty (30) days before the Substitutions, each Insurance Company has notified all Contract owners and participants of its intention to take the necessary actions, including seeking the order requested by the application, to substitute shares of the Replacement Portfolios for the Removed Portfolios as described herein. The supplements advised Contract owners and participants that from the date of the supplement until the date of the proposed Substitutions, Contract owners and participants are permitted to make transfers of Contract value (or annuity unit value) out of each Removed Portfolio subaccount to one or more other subaccounts without the

transfers (or exchanges) being treated as one of a limited number of permitted transfers (or exchanges) or a limited number of transfers (or exchanges) permitted without a transfer charge, as applicable. The supplements also informed Contract owners and participants that the Insurance Companies will not exercise any rights reserved under any Contract to impose additional restrictions on transfers until at least 30 days after each proposed Substitution.<sup>88</sup> The supplements also advised Contract owners and participants how to provide instructions on reallocating Contract value in light of the proposed Substitutions.

23. In addition, the supplements advised Contract owners and participants that any Contract value remaining in a Removed Portfolio subaccount on the Substitution Date will be transferred to the corresponding Replacement Portfolio subaccount and that the Substitutions will take place at

<sup>88</sup> One exception to this is that the Insurance Companies may impose restrictions on transfers to prevent or limit disruptive transfer and other "market timing" activities by Contract owners, participants or agents of Contract owners or participants as described in the prospectuses for the Separate Accounts and the Portfolios.

relative net asset value. The supplements also advised Contract owners and participants that for at least 30 days following each proposed Substitution, the Insurance Companies will permit Contract owners and participants to make transfers of Contract value (or annuity unit value) out of each Replacement Portfolio subaccount to one or more other subaccounts without the transfers (or exchanges) being treated as one of a limited number of permitted transfers (or exchanges) or a limited number of transfers (or exchanges) permitted without a transfer charge, as applicable.

24. Each Insurance Company has sent or will send Contract owners and participants prospectuses for the relevant Replacement Portfolios prior to the Substitutions. The section 26 Applicants will send the appropriate prospectus supplement (or other notice, in the case of Contracts no longer actively marketed and for which there are a relatively small number of existing Contract owners or participants), containing this disclosure to all existing Contract owners and participants. Prospective purchasers and new purchasers of Contracts will be provided with a Contract prospectus and the

supplement containing disclosure regarding the Substitutions, as well as a prospectus and/or supplement for the Replacement Portfolios. The Contract prospectus and the supplement and the prospectus and/or supplement for the Replacement Portfolios will be delivered to purchasers of new Contracts in accordance with all applicable legal requirements.

25. In addition to the prospectus supplements distributed to Contract owners and participants, within five business days after the proposed Substitutions are completed, Contract owners and participants will be sent a written notice of the Substitutions informing them that each Substitution was carried out and that they may transfer all Contract value or cash value under a Contract invested in any one of the subaccounts on the date of the notice to one or more other subaccounts available under their Contract at no cost and without regard to the usual limit on the frequency of transfers among the variable account options. The notice will also reiterate that (other than with respect to implementing policies and procedures designed to prevent disruptive transfers and other market timing activity) each Insurance Company will not exercise any rights reserved by it under the Contracts to impose additional restrictions on transfers or, to the extent transfer charges apply to a Contract, to impose any charges on transfers until at least 30 days after each proposed Substitution. The Insurance Companies will also send each Contract owner and participant a current prospectus for each of the relevant Replacement Portfolios to the extent they have not previously received a current version.

26. Each Insurance Company also is seeking approval of the proposed Substitutions from any state insurance regulators whose approval may be necessary or appropriate. The proposed Substitutions will take place at relative net asset value determined on the date of the Substitutions pursuant to Section 22 of the 1940 Act and Rule 22c-1 thereunder with no change in the amount of any Contract owner's or participant's Contract value, cash value, or death benefit or in the dollar value of his or her investment in the Separate Accounts. Each Substitution will be effected by redeeming shares of the Removed Portfolio in cash and/or in-kind on the Substitution Date at their net asset value and using the proceeds of those redemptions to purchase shares of the Replacement Portfolio at their net asset value on the same date. All in-kind redemptions from a Removed Portfolio of which any of the Applicants is an

affiliated person will be effected in accordance with the conditions set forth in the no-action letter issued by the staff of the Commission to Signature Financial Group, Inc. (Dec. 28, 1999).

27. Moreover, the section 26 Applicants state that Contract owners and participants will not incur any fees or charges as a result of the proposed Substitutions, nor will their rights or insurance benefits or the Insurance Companies' obligations under the Contracts be altered in any way. Consequently, all expenses incurred in connection with the proposed Substitutions, including any brokerage, legal, accounting, and other fees and expenses, will be paid by the Insurance Companies. In addition, the proposed Substitutions will not impose any tax liability on Contract owners or participants. The proposed Substitutions will not cause the Contract fees and charges currently being paid by Contract owners and participants to be greater after the proposed Substitutions than before the proposed Substitutions. All Contract-level fees will remain the same after the proposed Substitutions. No fees will be charged on the transfers made at the time of the proposed Substitutions because each proposed Substitution will not be treated as a transfer for purposes of assessing transfer charges or computing the number of permissible transfers under the Contracts.

28. With respect to the Substitutions involving the Old Mutual Select Value Portfolio, OpCap Managed Portfolio, Davis Value Portfolio, T. Rowe Price Equity Income Portfolio, Dreyfus Appreciation Portfolio (Initial shares), OpCap Equity Portfolio, Oppenheimer Main Street Fund/VA (Service shares), AIM V.I. Mid Cap Core Equity Portfolio (Series I shares), Alger American MidCap Growth Portfolio (Class O shares), MFS Mid Cap Growth Series (Initial Class shares), Dreyfus Small Cap Stock Index Portfolio (Service shares), OpCap Small Cap Portfolio, MFS New Discovery Series (Initial Class shares), Janus Flexible Bond Portfolio (Institutional and Service shares), OpCap Renaissance Portfolio, and the T. Rowe Price New America Growth Portfolio, the section 26 Applicants represent that, with respect to those who were Contract owners or participants on the date of the proposed Substitutions, the Insurance Companies will reimburse, on the last business day of each fiscal period (not to exceed a fiscal quarter) during the two years following the date of the proposed Substitution, the subaccounts investing in the applicable Replacement Portfolio such that the sum of the Replacement

Portfolio's net operating expense ratio (taking into account any expense waivers or reimbursements) and subaccount expense ratio (asset-based fees and charges deducted on a daily basis from subaccount assets and reflected in the calculations of subaccount unit value) for such period will not exceed, on an annualized basis, the sum of the corresponding Removed Portfolio's net operating expense ratio (taking into account any expense waivers or reimbursements) and subaccount expense ratio for fiscal year 2006.

29. With respect to the Substitutions involving the Universal Value Portfolio (Class I shares), AIM V.I. Basic Value Fund (Series I shares), Fidelity Growth Opportunities Portfolio (Initial Class and Service Class shares), PIMCO Total Return Portfolio (Administrative shares), Universal Core Plus Fixed Income Portfolio (Class I shares), and the Universal U.S. Real Estate Portfolio (Class I and Class II shares), the Section 26 Applicants represent that, with respect to those who were Contract owners or participants on the date of the proposed Substitutions, at no time after the date of the Substitution will the Insurance Companies increase Contract charges or total Separate Account charges (net of any waiver or reimbursements) of the subaccounts that invest in the applicable Replacement Portfolio. If the net operating expenses for the applicable Replacement Portfolio (taking into account any expense waivers or reimbursements) for any fiscal quarter following the date of the Substitution exceed on an annualized basis the net expense ratio for the corresponding Removed Portfolio for fiscal year 2006, the Insurance Companies will reimburse the Separate Account expenses paid during that quarter of the subaccount that invests in the applicable Replacement Portfolio to the extent necessary to offset the amount by which that Replacement Portfolio's net expense ratio for such period exceeds, on an annualized basis, that of the corresponding Removed Portfolio.

30. The section 26 Applicants also agree that, with respect to shares issued in connection with the proposed Substitution involving the Universal U.S. Real Estate Portfolio, the Rule 12b-1 fees for the Replacement Portfolio's Class IB shares will not be raised above the Removed Portfolio's Class II shares maximum Rule 12b-1 fee (0.35%)

without first obtaining shareholder approval.<sup>89</sup>

31. In addition, the section 26 Applicants further agree that with respect to the Substitutions involving the Alger American Balanced Portfolio (Class O shares), MFS Total Return Series (Initial Class shares), T. Rowe Price Personal Strategy Balanced Portfolio, Fidelity Growth Portfolio (Initial Class and Service Class shares), and the Universal Equity Growth Portfolio (Class I shares), the Insurance Companies will not increase total separate account charges with respect to the corresponding Replacement Portfolio sub-accounts for any outstanding Contracts on the date of the Substitutions for a period of two years from the date of the Substitutions.

32. Moreover, the section 26 Applicants agree that, with respect to the Substitutions involving the Alger American Balanced Portfolio (Class O shares), MFS Total Return Series (Initial Class shares), and the T. Rowe Price Personal Strategy Balanced Portfolio, to the extent that the annualized expense ratio of each applicable Replacement Portfolio exceeds, for each fiscal period (not to exceed a fiscal quarter) during the two years following the date of the proposed Substitutions, the net expense ratio of the corresponding Removed Portfolio for fiscal year 2006, the Insurance Companies will, for each Contract outstanding on the date of the proposed Substitutions, reimburse, on the last business day of each fiscal period (not to exceed a fiscal quarter) during the two years following the date of the proposed Substitution, the subaccounts investing in the Replacement Portfolio such that the sum of the Replacement Portfolio's net operating expense ratio (taking into account any expense waivers or reimbursements) and subaccount expense ratio (asset-based fees and charges deducted on a daily basis from subaccount assets and reflected in the calculations of subaccount unit value) for such period will not exceed, on an annualized basis, the sum of the Removed Portfolio's net operating expense ratio (taking into account any expense waivers or reimbursements) and subaccount expense ratio for fiscal year 2006.

33. In addition, with respect to the Substitutions involving the Fidelity Growth Portfolio (Initial Class and Service Class shares), and the Universal Equity Growth Portfolio (Class I shares), the Section 26 Applicants agree that, in

connection with assets held under Contracts affected by the Substitutions, the Insurance Companies will not receive, for three years from the date of the proposed Substitutions, any direct or indirect benefits from the relevant Replacement Portfolio, its advisers, or underwriters (or its affiliates) at a rate higher than that which they had received from the corresponding Removed Portfolios, their advisers, or underwriters (or their affiliates), including without limitation, 12b-1, shareholder service, administration or other service fees, revenue sharing or other arrangements in connection with such assets. The Insurance Companies also represent that the proposed Substitutions and the selection of the relevant Replacement Portfolio were not motivated by any financial consideration paid or to be paid to the Insurance Companies or their affiliates by the relevant Replacement Portfolio, its advisers, underwriters or affiliates.

#### Applicants' Legal Analysis

1. Section 26(c) of the 1940 Act prohibits the depositor of a registered unit investment trust that invests in the securities of a single issuer from substituting the securities of another issuer without Commission approval. Section 26(c) provides that "[t]he Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title."

2. The section 26 Applicants assert that the each proposed Substitution involves a substitution of securities within the meaning of section 26(c) of the 1940 Act and therefore request an order from the Commission pursuant to section 26(c) approving the proposed Substitutions.

3. The section 26 Applicants state they have reserved the right under the Contracts to substitute shares of another eligible investment fund for one of the current investment funds offered as a funding option under the Contracts both to protect themselves and their Contract owners and participants in situations where either might be harmed or disadvantaged by events affecting the issuer of the securities held by a Separate Account and to preserve the opportunity to replace such shares in situations where a substitution could benefit the Insurance Companies and their respective Contract owners and participants.

4. The section 26 Applicants also argue that each Replacement Portfolio and its corresponding Removed Portfolio have similar, and in some

cases substantially similar or identical, investment objectives, policies and risks. In addition, each proposed Substitution retains for Contract owners and participants the investment flexibility that is a central feature of the Contracts. The section 26 Applicants assert that any impact on the investment programs of affected Contract owners and participants, including the appropriateness of the available investment options, should therefore be negligible.

5. The section 26 Applicants further assert that the ultimate effect of the Substitutions would be to remove overlapping and duplicative investment options and those investment options that have not attracted sufficient Contract owner or participant interest to support maintaining them as investment options under the Contracts. The Substitutions will permit the Insurance Companies to present information to their Contract owners and participants in a simpler and more concise manner, and it is anticipated that after the proposed Substitutions, Contract owners and participants will be provided with disclosure documents that contain a simpler presentation of the available investment options under their Contracts.

6. In addition, the section 26 Applicants also argue that in connection with each proposed Substitution, Contract owners and participants with subaccount balances invested in a Replacement Portfolio will have the same or lower net operating expense ratio(s) after the Substitution. In this regard, each Insurance Company has agreed to impose certain expense limits, as discussed above, to ensure that Contract owners and participants do not incur higher expenses as a result of a Substitution either for a period of two years after the Substitution or for the life of the Contract, as applicable.

7. In addition to the foregoing, the section 26 Applicants generally submit that each proposed Substitution meets the standards that the Commission and its staff have applied to similar substitutions that the Commission previously has approved. The section 26 Applicants also submit that the proposed Substitutions are not of the type that section 26(c) was designed to prevent as the Contracts provide each Contract owner or participant with the right to exercise his or her own judgment, and transfer Contract values and cash values into and among other investment options available to Contract owners or participants under their Contracts. Additionally, the Substitutions will not, in any manner, reduce the nature or quality of the

<sup>89</sup> The Class IB shares of the Replacement Portfolio have a higher maximum Rule 12b-1 fee than the Class II shares of the Removed Portfolio.

available investment options. In this regard, the proposed Substitutions retain for Contract owners and participants the investment flexibility which is a central feature of the Contracts.

8. Moreover, the section 26 Applicants will offer Contract owners and participants the opportunity to transfer amounts out of the affected subaccounts without any cost or other penalty (other than with respect to implementing policies and procedures designed to prevent disruptive transfer and other market timing activity) that may otherwise have been imposed for a period beginning on the date of the supplement notifying Contract owners and participants of the proposed Substitutions (which supplement has been delivered to Contract owners and participants at least thirty (30) days before the Substitutions) and ending no earlier than thirty (30) days after the proposed Substitutions. The Substitutions, therefore, will not result in the type of costly forced redemption that section 26(c) was designed to prevent.

9. The section 26 Applicants also note that the proposed Substitutions are also unlike the type of substitution that section 26(c) was designed to prevent in that by purchasing a Contract or participating in a group Contract, Contract owners and participants select much more than a particular underlying fund in which to invest their Contract values. They also select the specific type of insurance coverage offered by the section 26 Applicants under the applicable Contract, as well as numerous other rights and privileges set forth in the Contract. Contract owners and participants also may have considered the Insurance Company's size, financial condition, and its reputation for service in selecting their Contract. These factors will not change as a result of the proposed Substitutions, nor will the annuity, life or tax benefits afforded under the Contracts held by any of the affected Contract owners or participants.

10. Section 17(a)(1) of the 1940 Act, in relevant part, prohibits any affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from knowingly selling any security or other property to that company. Section 17(a)(2) of the 1940 Act generally prohibits the same persons, acting as principals, from knowingly purchasing any security or other property from the registered investment company.

11. Section 17(b) of the 1940 Act provides that the Commission may, upon application, issue an order

exempting any proposed transaction from the provisions of Section 17(a) if: (i) the terms of the proposed transactions are reasonable and fair and do not involve overreaching on the part of any person concerned; (ii) the proposed transactions are consistent with the policy of each registered investment company concerned; and (iii) the proposed transactions are consistent with the general purposes of the 1940 Act.

12. The section 17 Applicants request an order pursuant to section 17(b) of the 1940 Act exempting them from the provisions of section 17(a) of the 1940 Act to the extent necessary to permit them to carry out the In-Kind Transactions in connection with the proposed Substitutions.

13. The section 17 Applicants submit that the terms of the proposed In-Kind Transactions, including the consideration to be paid and received, as described in the application, are reasonable and fair and do not involve overreaching on the part of any person concerned. The In-Kind Transactions will be effected at the respective net asset values of each of the relevant Removed Portfolios and each of the relevant Replacement Portfolios, as determined in accordance with the procedures disclosed in the registration statement for the relevant investment company and as required by Rule 22c-1 under the 1940 Act. The In-Kind Transactions will not change the dollar value of any Contract owner's or participant's investment in any of the Separate Accounts, the value of any Contract, the accumulation value or other value credited to any Contract, or the death benefit payable under any Contract. After the proposed In-Kind Transactions, the value of a Separate Account's investment in a Replacement Portfolio will equal the value of its investments in the corresponding Removed Portfolio (together with the value of any pre-existing investments in the Replacement Portfolio) before the In-Kind Transactions.

14. The section 17 Applicants state they will assure themselves that the In-Kind Transactions will be in substantial compliance with the conditions of Rule 17a-7 under the 1940 Act. The section 17 Applicants will assure themselves that the investment companies will carry out the proposed In-Kind Transactions in conformity with the conditions of Rule 17a-7 (or, as applicable, a Removed Portfolio's and a Replacement Portfolio's normal valuation procedures, as set forth in the relevant investment company's registration statement), except that the consideration paid for the securities

being purchased or sold will not be cash.

15. The section 17 Applicants also assert that the proposed In-Kind Transactions do not involve overreaching on the part of any person concerned. Furthermore, the section 17 Applicants represent that the proposed In-Kind Transactions will be consistent with the policies of the Removed and corresponding Replacement Portfolios, as recited in their respective current registration statements, and that the proposed In-Kind Transactions are consistent with the general purposes of the 1940 Act and do not present any conditions or abuses that the 1940 Act was designed to prevent.

### Conclusion

For the reasons set forth in the application, the Applicants each respectively request that the Commission issue an order of approval pursuant to section 26(c) of the 1940 Act and an order of exemption pursuant to section 17(b) of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Florence E. Harmon,**  
*Deputy Secretary.*

[FR Doc. E7-14663 Filed 7-27-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56120; File No. SR-NASDAQ-2007-060]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Extend Nasdaq's Authority Under Its Cease and Desist Pilot Program

Date: July 24, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 19, 2007, The NASDAQ Stock Market LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by Nasdaq. Nasdaq has filed the proposal as a "non-controversial" rule change pursuant to section 19(b)(3)(A) of the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.