

# MetLife Advisers, LLC

## Firm Brochure

### Part 2A of Form ADV

March 28, 2014

This brochure provides information about the qualifications and business practices of MetLife Advisers, LLC. If you have any questions about the contents of this brochure, - please contact us at 617-578-2410 or 617-578-4036. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MetLife Advisers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

MetLife Advisers, LLC  
One Financial Center  
Boston, MA 02111

## **Item 2 Material Changes**

There has been one material change since the prior version of this document dated March 28, 2013. The address of MetLife Advisers has changed to One Financial Center, Boston, MA 02111.

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## **Item 4 Advisory Business**

### **Item 4A**

MetLife Advisers, LLC (“MetLife Advisers” or “we”) is an investment advisory firm that was established in 1994. MetLife Advisers is a Delaware limited liability company. MetLife Investors Group, Inc. (“MLIG”) owns all of the voting interests in MetLife Advisers. MLIG is a wholly-owned subsidiary of MetLife, Inc., a publicly held company.

### **Item 4B**

MetLife Advisers serves as the investment adviser to participants in the asset allocation program made available exclusively under Marquis Portfolios variable annuity contracts by the issuing insurance companies. In this capacity, we are your investment adviser solely for the purpose of developing and updating the models. We currently follow the

recommendations of an independent third-party consultant to provide this service. From time to time, we may select a different consultant, to the extent permitted under applicable law.

#### **Item 4C**

In the Marquis Portfolios asset allocation program, you will choose to allocate your purchase payments among a set of investment portfolios you select using one of the models we provide. There currently are twenty models, a disciplined and a flexible model for each of ten levels of risk tolerance and return potential. It is your responsibility to select or change your model and your investment portfolios. Neither MetLife Advisers, the insurance company nor your registered representative will make this decision for you.

#### **Item 4D**

Not applicable.

#### **Item 4E**

As of February 28, 2014, client assets under the Marquis program, which are managed on a non-discretionary basis, were approximately \$2.1 billion.

#### **Item 5 Fees and Compensation**

Not applicable.

#### **Item 6 Performance-Based Fees and Side-By-Side Management**

Not applicable.

#### **Item 7 Types of Clients**

MetLife Advisers serves as the investment adviser to participants in the asset allocation program made available exclusively under Marquis Portfolios variable annuity contracts by the issuing insurance companies. In this capacity, our clients are holders of Marquis Portfolios variable annuity contracts.

#### **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

##### **Item 8A through 8C**

To develop and update the asset allocation models for the Marquis program, MetLife Advisers currently follows the recommendations of an independent third-party consultant. From time to time, we may select a different consultant, to the extent permitted under applicable law.

Asset allocation, in general, is an investment strategy intended to optimize the selection of investment options for a given level of risk tolerance, in order to attempt to maximize returns and limit the effects of market volatility. Asset allocation strategies reflect the theory that diversification among asset classes can help reduce volatility and potentially enhance returns over the long term. An asset class refers to a category of investments having similar characteristics, such as stocks and other equities, bonds and other fixed income investments, and cash equivalents. There are further divisions within asset classes, for example, divisions according to the size of the issuer (large cap, mid cap, small cap), the type of issuer (government, municipal, corporate, etc.) or the location of the issuer (domestic, foreign, etc.).

In the asset allocation program, you will choose to allocate your purchase payments among a set of investment portfolios you select using one of the models we provide. An asset allocation model is a set of target percentages for asset classes or sub-classes that represent the principal investments of the available investment portfolios. There currently are twenty models, a disciplined and a flexible model for each of ten levels of risk tolerance and return potential (generally, asset classes and sub-classes with higher potential returns have greater risk of losses and experience greater volatility). Disciplined models are designed to be constructed only from investment portfolios that adhere strictly to their stated investment styles and invest in specific asset classes or sub-classes, whereas flexible models can include allocations to investment portfolios that may invest across multiple asset classes or sub-classes, or that may move between investment styles, or asset classes or sub-classes, depending on market conditions or other factors.

It is your responsibility to select or change your model and your investment portfolios. Neither MetLife Advisers, the insurance company nor your registered representative will make this decision for you.

A disciplined or flexible asset allocation model will be suggested based on your responses to a profile questionnaire that seeks to measure your personal investment risk tolerance, investment time horizon, financial goals and other factors. In order to participate in this program, you will need to complete the questionnaire. Once you select a model and the investment portfolio allocations, these selections will remain unchanged until you elect to revise the investment portfolio allocations within your model, select a new model, or both.

Although the models are designed to maximize investment returns and reduce volatility for a given level of risk, there is no guarantee the value of your contract will not decline or experience volatility. A model may fail to perform as intended, or may perform worse than a single investment portfolio, asset class or different combination of investment options. In addition, the model is subject to all of the risks associated with its underlying investment portfolios. If, from time to time, the models are changed, the flows of money into and out of underlying investment portfolios may generate higher brokerage and administrative costs for those portfolios, or such changes may disrupt an investment portfolio's management strategy.

For more complete information about each investment portfolio in the program, including a discussion of the investment portfolio's risks, investment objective and strategies, fees and expenses, see that investment portfolio's prospectus. There is no assurance any investment portfolio will achieve its investment objective. You should read each prospectus carefully before investing.

### **Item 9 Disciplinary Information**

Not applicable.

### **Item 10 Other Financial Industry Activities and Affiliations**

#### **Item 10A**

Certain management persons of MetLife Advisers are registered representatives of affiliated broker-dealers.

#### **Item 10B**

MetLife Advisers is registered as a commodity pool operator and its Chief Financial Officer is registered as an associated person.

#### **Item 10C**

Our management persons are employees, officers and/or directors of one or all of:

- MetLife, Inc. and certain of its affiliated insurance companies;
- Other investment advisers within the MetLife, Inc. enterprise;
- Affiliated broker-dealers which serve as principal underwriters to the insurance company separate accounts that fund Marquis Portfolio contracts as well as to certain of the investment portfolios underlying these and other contracts issued by these companies; and
- Certain of the investment portfolios themselves.

In addition, these affiliated insurance companies have joint ownership interests in MetLife Advisers, which is formed as a "limited liability company." These ownership interests entitle these companies to profit distributions if we make a profit with respect to the advisory fees we receive from the investment portfolios we advise. Our affiliates therefore benefit accordingly from assets allocated to the investment portfolios to the extent they result in profits to MetLife Advisers.

The issuing insurance company selects the investment portfolios offered through Marquis Portfolios contracts based on a number of criteria, including asset class coverage, the strength of the adviser's or subadviser's reputation and tenure, brand recognition, performance, and the capability and qualification of each investment firm. Another factor

it considers during the selection process is whether the investment portfolio's adviser or subadviser is one of its affiliates or whether the investment portfolio, its adviser, its subadviser(s), or an affiliate will make payments to the insurance company or its affiliates. In this regard, the profit distributions these companies receive from MetLife Advisers are a component of the total revenue the companies consider in configuring the features and investment choices available in the contract. Since these insurance companies may benefit more from the allocation of assets to portfolios advised by MetLife Advisers and affiliated investment advisers than to those that are not, the companies may be more inclined to offer portfolios advised by us or our affiliates.

As noted above, we serve as investment adviser to certain investment portfolios available under the contract. Also, our affiliates provide various services to the investment portfolios you may select (see the prospectuses that describe your contract and investment portfolios for more information about fees and other payments we and our affiliates receive in connection with your contract and the investment portfolios). Therefore, we may have incentives to develop models in such a way that larger allocations will be made to more profitable portfolios. Also, we may believe certain portfolios we manage may benefit from additional assets or could be harmed by redemptions. As a fiduciary, we legally are obligated to disregard these incentives. In addition, we believe following the recommendations of an independent third-party to develop and update the models may reduce or eliminate the potential for us to be influenced by these competing interests. As described above, from time to time, we may select a different consultant to provide these recommendations, to the extent permitted under applicable law.

#### **Item 10D**

Not applicable.

#### **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

##### **Item 11A**

MetLife Advisers permits its employees, officers and directors ("personnel") to engage in personal securities trading, subject to the restrictions imposed by the MetLife Investment Management Code of the Ethics, to which MetLife Advisers and other MetLife-affiliated entities are subject. The code places limitations on trading by certain personnel, called access persons. These limitations cover (i) investments in private placements; (ii) participation in initial public offerings; (iii) reporting of securities holdings and transactions as required by Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act; (iv) service on boards of publicly-traded companies; (v) the purchase of affiliated mutual funds; and (vi) trading before and after an affiliated mutual fund trade if the access person had actual knowledge that the security was being purchased or sold or that a buy or sell order was pending for the affiliated mutual fund. The code sets out exemptions from certain of these limitations.

In addition, the code of ethics states general principles that MetLife Advisers expects personnel to follow in light of the fiduciary obligations MetLife Advisers owes to clients. MetLife Advisers recognizes that it is generally improper for MetLife Advisers or its personnel to use for their own benefit information about trading or recommendations for clients or to take advantage of investment opportunities that would otherwise be available to clients. The code requires that all of its personnel comply with federal securities laws, report violations of the code and acknowledge receipt of the code. The code also places restrictions on the accepting and giving of gifts by personnel.

A copy of the MetLife Investment Management Code of Ethics will be provided to any client or prospective client of MetLife Advisers upon request.

### **Items 11B through 11D**

See Item 10C, above.

### **Item 12 Brokerage Practices**

Not applicable.

### **Item 13 Review of Accounts**

#### **Item 13A through 13C**

We do not review individual client accounts. The asset allocation models are reviewed periodically (typically annually) and asset allocations within a particular model may need to be changed. Similarly, the principal investments, investment style, or investment manager of an investment portfolio may change such that it is no longer appropriate for a model, or it may become appropriate for a model. Also, from time to time, the insurance company may change the investment portfolios available under the contract. As a result of the periodic review and/or any changes in available investment portfolios, each model may change and asset classes or sub-classes may be added or deleted. The insurance company will provide notice regarding any such changes, and you, in consultation with your registered representative, may wish to revise your investment allocations based on these model and investment portfolio changes. You are not required to make any changes, and if you take no action your current allocations will continue in effect (provided the insurance company continues to make the investment portfolios in your current allocations available under the contract— please see your contract prospectus).

## **Item 14 Client Referrals and Other Compensation**

### **Item 14A**

See Item 10C, above.

### **Item 14B**

Registered representatives who sell the Marquis Portfolios variable annuity contracts through which the asset allocation program is offered are paid a commission in the ordinary course of business. The issuing insurance company and the affiliated broker-dealer that serves as principal underwriter and distributor of the contracts pay compensation to all selling firms in the form of commissions and may also provide certain types of non-cash compensation. Please refer to the product prospectus for more information.

## **Item 15 Custody**

You will receive periodic account statements from the issuing insurance company and should carefully review those statements.

## **Item 16 Investment Discretion**

Not applicable.

## **Item 17 Voting Client Securities**

### **Item 17A**

Not applicable.

### **Item 17B**

The issuing insurance company is the legal owner of investment portfolio shares underlying a variable annuity contract. As described more fully in the product prospectus, the insurance companies believe when an investment portfolio solicits proxies in conjunction with a vote of shareholders, they are required to obtain from you and other affected owners instructions as to how to vote those shares. When they receive those instructions, they will vote all of the shares owned in proportion to those instructions.

## **Item 18 Financial Information**

Not applicable.



**Item 19 Requirements for State-Registered Advisers**

Not applicable.

**PART 2A Appendix 1: Wrap Fee Program Brochure**

Not applicable.

**PART 2B Brochure Supplement**

Not applicable.