

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 050 – DEFERRED COMPENSATION**

1 **459-050-0037**

2 **Trading Restrictions**

3 The purpose of this rule is to establish criteria under which a participant may make
4 trades in the Deferred Compensation Program. The Program is designed for long-term
5 investment and periodic adjustment of asset allocation. Restrictions upon trades are
6 necessary to protect participants and the Program from adverse financial impact
7 attributable to frequent trading. Frequent trading by some participants can lower returns
8 and increase transaction costs for all participants. Frequent trading can trigger the
9 imposition of redemption fees and restrictions by mutual funds within the Program and
10 may cause the Program to be eliminated as an allowable investor in an investment fund.

11 (1) Definitions. For the purposes of this rule:

12 (a) “Investment Option” means an investment alternative made available under ORS
13 243.421.

14 (b) “Trade” means a purchase or redemption in an investment option for the purpose
15 of moving monies between investment options.

16 (2) Restrictions.

17 (a) The following restrictions apply to all participants:

18 (A) A participant may not make a trade that exceeds \$100,000.

19 (B) A purchase that is attributable to a trade may not be redeemed from the
20 International Stock Option for a period of 30 days following the date of the trade.

21 *[(C) No trade may move monies directly from the Stable Value Option to the Self-*
22 *Directed Brokerage Option.]*

1 (b) Trades to the Self-Directed Brokerage Option are subject to subsection (a) of this
2 section and the limitations established in OAR 459-050-0120.

3 (3) The Deferred Compensation Manager, if necessary to comply with trading
4 restrictions imposed by a participating mutual fund or the Securities and Exchange
5 Commission, may establish additional temporary trading restrictions.

6 (4) The Deferred Compensation Manager, in the event of extraordinary market
7 conditions, may temporarily suspend any or all trading restrictions established by this
8 rule.

9 (5) Any action taken by the Deferred Compensation Manager under sections (3) or
10 (4) of this rule must be presented to the Board at its next scheduled meeting. The Board
11 may take action as authorized by ORS 243.401 to 243.507. If the Board does not act, the
12 action(s) taken by the Deferred Compensation Manager shall expire on the first business
13 day following the date of the meeting.

14 (6) The provisions of this rule are not applicable to trades attributable to the
15 operation of an automatic account rebalancing function offered by the Program.

16 (7) The trading restrictions provided in this rule are not exclusive. The Board may
17 establish additional restrictions or sanctions as authorized by ORS 243.401 to 243.507.

18 Statutory Authority: ORS 243.470

19 Statutes Implemented: ORS 243.401–243.507