

## RULES OF THE STATE INVESTMENT COUNCIL

Subchapter 43, Mortgage-Backed Securities; Private Pass-Through, was recodified to N.J.A.C. 17:16-58 and Subchapter 43, Covered Call Options, was recodified from N.J.A.C. 17:16-42 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 44, Deferred Compensation Plan, was recodified to N.J.A.C. 17:16-65 and Subchapter 44, Common and Preferred Stocks and Issues Convertible into Common Stock of International Corporations, was recodified from N.J.A.C. 17:16-48 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 45, Real Estate Equity, was recodified to N.J.A.C. 17:16-71 and Subchapter 45, Covered Put Options, was recodified from N.J.A.C. 17:16-52 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 46, Common Pension Fund D, was recodified to N.J.A.C. 17:16-67 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 47, International Government and Agency Obligations, was recodified to N.J.A.C. 17:16-20 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 48, Common and Preferred Stock and Issues Convertible into Common Stock of International Corporations, was recodified to N.J.A.C. 17:16-44 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 49, Purchase and Sale of International Currency, was recodified to N.J.A.C. 17:16-81 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 50, U.S. Treasury Futures Contracts, was recodified to N.J.A.C. 17:16-21 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 52, Covered Put Options, was recodified to N.J.A.C. 17:16-45 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 53, Title II Federal Housing Administration—Insured Mortgages; Multi-family, was recodified from N.J.A.C. 17:16-28 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 54, Title II Federal Housing Administration Insured Construction Mortgages; Multifamily, was recodified from N.J.A.C. 17:16-29 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 55, Title II Federal Housing Administration Mortgages, was recodified from N.J.A.C. 17:16-10 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 58, Mortgage-Backed Securities; Private Pass-Through, was recodified from N.J.A.C. 17:16-43 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 61, State of New Jersey Cash Management Fund, was recodified from N.J.A.C. 17:16-31 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 62, Common Pension Fund A, was recodified from N.J.A.C. 17:16-32 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 63, Common Pension Fund B, was recodified from N.J.A.C. 17:16-36 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 65, Deferred Compensation Plan, was recodified from N.J.A.C. 17:16-44 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 67, Common Pension Fund D, was recodified from N.J.A.C. 17:16-46 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 71, Real Estate Equity, was recodified from N.J.A.C. 17:16-45 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 81, Purchase and Sale of International Currency, was recodified from N.J.A.C. 17:16-49 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Pursuant to Executive Order No. 66(1978), Chapter 16, Rules of the State Investment Council, was readopted as R.1991 d.274, effective May 2, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 36, Guaranteed Income Contracts, was adopted as R.1991 d.387, effective August 5, 1991. See: 23 N.J.R. 1776(a), 23 N.J.R. 2344(b).

Pursuant to Executive Order No. 66(1978), Chapter 16, Rules of the State Investment Council, was readopted as R.1996 d.222, effective April 15, 1996. See: 28 N.J.R. 1366(a), 28 N.J.R. 2397(a).

Subchapter 68, New Jersey Better Educational Savings Trust (NJBEST) Fund, was adopted as R.1998 d.552, effective November 16, 1998. See: 30 N.J.R. 3167(a), 30 N.J.R. 4064(a).

Subchapter 46, Common and Preferred Stocks and Issues Convertible into Common Stock of International Corporations in Emerging Markets, was adopted as R.2000 d.373, effective September 18, 2000. See: 32 N.J.R. 2584(b), 32 N.J.R. 3455(b).

Pursuant to Executive Order No. 66(1978), Chapter 16, Rules of the State Investment Council, was readopted as R.2001 d.119, effective March 9, 2001, and Subchapter 35, Loan Participation Notes, was repealed by R.2001 d.119, effective April 2, 2001. See: 33 N.J.R. 372(b), 33 N.J.R. 1115(a).

Subchapter 22, Fixed Income Exchange-Traded Funds, was adopted as R.2003 d.330, effective August 4, 2003. See: 35 N.J.R. 1869(a), 35 N.J.R. 3605(b).

Subchapter 37, Money Market Funds, was adopted as R.2003 d.331, effective August 4, 2003. See: 35 N.J.R. 1870(a), 35 N.J.R. 3606(a).

Subchapter 47, Equity Futures Contracts, was adopted as R.2003 d.334, effective August 4, 2003. See: 35 N.J.R. 1872(b), 35 N.J.R. 3607(b).

Subchapter 4, State Investment Council's Policy Concerning Political Contributions and Prohibitions on Investment Management Business, was adopted as new rules by R.2005 d.123, effective April 18, 2005. See: 36 N.J.R. 4695(a), 37 N.J.R. 1223(a).

Subchapter 69, Common Pension Fund E, was adopted as new rules by R.2005 d.201, effective June 20, 2005. See: 37 N.J.R. 575(a), 37 N.J.R. 2217(a).

Subchapter 71, Real Estate Equity, was repealed and Subchapter 71, Real Assets, was adopted as new rules by R.2005 d.202, effective June 20, 2005. See: 37 N.J.R. 577(a), 37 N.J.R. 2220(a).

Subchapter 90, Private Equity, was adopted as new rules by R.2005 d.203, effective June 20, 2005. See: 37 N.J.R. 579(a), 37 N.J.R. 2222(a).

Subchapter 100, Absolute Return Strategy Investments, was adopted as new rules by R.2005 d.204, effective June 20, 2005. See: 37 N.J.R. 580(a), 37 N.J.R. 2223(a).

Subchapter 46, Common and Preferred Stocks and Issues Convertible into Common Stock of International Corporations in Emerging Markets and Global, Regional or Country Funds, was renamed Common and Preferred Stocks and Issues Convertible into Common Stock of International Corporations and Global, Regional or Country Funds in Emerging Markets by R.2006 d.259, effective July 17, 2006. See: 38 N.J.R. 1410(a), 38 N.J.R. 3065(a).

Chapter 16, Rules of the State Investment Council, was readopted as R.2006 d.317, effective August 7, 2006. As a part of R.2006 d.317, Subchapter 1, General Provisions and Subchapter 13, Interest Rate Swap Transactions, were adopted as new rules; Subchapter 14, Finance Companies—Senior Debt, was renamed Finance Company Debt; Subchapter 16, Canadian Obligations, was renamed International Corporate Obli-



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Repeal and New Rule, R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

**17:16-21.3 Eligible funds**

(a) For purposes of this subchapter, eligible funds shall include:

**1. Common Pension Fund B.**

New Rule, R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Former N.J.A.C. 17:16-21.3, Limitations, recodified to N.J.A.C. 17:16-21.4.

**17:16-21.4 Limitations**

Net purchases of U.S. Treasury Futures Contracts shall not exceed the amount equal to 10 percent of the market value of Common Pension Fund B’s underlying U.S. Treasury Bond holdings, except that this limit may be increased to an amount not to exceed 50 percent by the Director for a fixed period of time after consultation with the Executive Committee of the Council.

Recodified from N.J.A.C. 17:16-21.3 and amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Rewrote the section.

**SUBCHAPTER 22. FIXED INCOME EXCHANGE-TRADED FUNDS**

**17:16-22.1 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Exchange-traded funds” shall mean mutual funds that track a predetermined index and can be traded like shares of common stock.

“Fixed income exchange-traded funds” shall mean exchange-traded funds that invest primarily in domestic fixed income securities.

New Rule, R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Former N.J.A.C. 17:16-22.1, Permissible investments, recodified to N.J.A.C. 17:16-22.2.

**17:16-22.2 Permissible investments**

(a) Subject to the limitations contained in this subchapter, the Director may invest and reinvest the moneys of any eligible fund in fixed income exchange-traded funds which are traded on a securities exchange in the United States or the over-the-counter markets, and have a minimum market capitalization of \$100 million. Subsequent to purchase, if capitalization falls below \$100 million, the investment does not have to be sold.

(b) Notwithstanding the restrictions in this subchapter, the Council may approve the purchase of fixed income exchange-traded funds on a case-by-case basis.

Amended by R.2004 d.250, effective July 6, 2004.  
See: 36 N.J.R. 1740(a), 36 N.J.R. 3269(c).  
Rewrote the section.  
Recodified from N.J.A.C. 17:16-22.1 and amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Rewrote the section. Former N.J.A.C. 17:16-22.2, Applicable Funds, recodified to N.J.A.C. 17:16-22.3.

**17:16-22.3 Eligible funds**

(a) For purposes of this subchapter, eligible funds shall include:

1. Police and Firemen’s Retirement System;
2. Public Employees’ Retirement System;
3. State Police Retirement System;
4. Teachers’ Pension and Annuity Fund;
5. Judicial Retirement System of New Jersey; and
6. Common Pension Fund B.

Recodified from N.J.A.C. 17:16-22.2 and amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Section was “Applicable funds”. Rewrote introductory paragraph of (a), recodified (a)5 as (a)6, added new (a)5, and deleted former (a)6 and (a)7. Former N.J.A.C. 17:16-22.3, Limitations, recodified to N.J.A.C. 17:16-22.4.

**17:16-22.4 Limitations**

(a) At the time of initial purchase, the following conditions shall be met:

1. Not more than four percent of the market value of any fund shall be invested in a single fixed income exchange-traded fund; and
2. The total amount of shares or units purchased or acquired of any one fixed income exchange-traded fund shall not exceed five percent of the shares or units outstanding of any fixed income exchange-traded fund.

(b) If, subsequent to initial purchase, the limitations in (a) above are exceeded, then the Council shall be notified at the next regularly scheduled meeting of the Council. The Division may be granted a six-month period of grace to reduce the level of participation below the maximum levels, except that the period of grace may be extended for additional four-month periods with the approval of the Council.

Recodified from N.J.A.C. 17:16-22.3 and amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).  
Rewrote the section.

## SUBCHAPTER 23. BANK LOANS

**17:16-23.1 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Bank loans” means loans that are originated by commercial and/or investment banks or other lending syndicates. Bank loans are typically comprised of loans to corporations and tend to be the most senior debt in the corporate debt structure.

“Co-investment” means two parties (usually the limited partner and the general partner of a fund) invest alongside each other. If a limited partner in a fund has co-investment rights, it can invest directly in a company that is also backed by a fund. The institution therefore ends up with two separate stakes in the company — one indirectly through the fund; one directly in the company. Co-investment may also include multiple like-minded institutional investors investing in a specific company or portfolio.

“Commingled fund” means pooled investment vehicles formed for the purpose of investing. A commingled fund may be organized as a group trust, partnership, corporation, insurance company separate account, or other multiple ownership entity. An investment in a commingled fund may take the form of an investment in the trustee, general partner, or other managing member of such fund.

“Funds-of-funds” means funds set up to distribute investments among a selection of fund managers, who in turn invest the capital directly.

“Joint venture” means a contractual agreement joining two or more parties for the purpose of executing a particular undertaking. All parties agree to share in the profits and losses of the enterprise. Joint ventures are usually private.

“Separate account” means ownership is segregated and kept in the investor’s name.

**17:16-23.2 Permissible investments**

(a) Subject to the limitations contained in this subchapter, the Director may invest and reinvest the moneys of any eligible fund in:

1. Direct bank loans provided that:
  - i. All such loans must be payable as to both principal and interest in United States dollars;
  - ii. The borrower:
    - (1) Is not in default as to the payment of principal or interest upon any of its outstanding obligations. Subsequent to purchase, if the borrower defaults, the loans do not have to be sold; and

(2) Has shareholder’s equity of at least \$200 million. Subsequent to purchase, if shareholder’s equity falls below \$200 million, the investment does not have to be sold; and

iii. The issue has a credit rating of Baa3 or higher by Moody’s Investors Service, Inc., BBB- or higher by Standard & Poor’s Corporation, and BBB- or higher by Fitch Ratings, except that two of the three ratings is sufficient and one of the three ratings is sufficient if only one rating is available. If a rating for the issue has not been obtained from the above services, the issue may be purchased if the issuer rating meets the minimum rating criteria. Subsequent to purchase, if ratings fall below the minimum rating for such issues, they do not have to be sold, and they may be exchanged with issues with a credit rating lower than the minimum rating if the issues received in exchange are, on balance, similarly rated; and

2. Separate accounts, funds-of-funds, commingled funds, co-investments and joint ventures that primarily invest in bank loans subject to such further provisos as are contained in N.J.A.C. 17:16-63.

(b) Notwithstanding the restrictions in (a) above, the Director may invest and reinvest the moneys of Common Pension Fund B in corporate obligations, international corporate obligations, collateralized notes and mortgages, bank loans, non-convertible preferred stock and mortgage backed pass-through securities that do not meet the minimum credit ratings set forth in N.J.A.C. 17:16-12.2, 16.2, 19.2, this section and N.J.A.C. 17:16-40.2 and 58.2, respectively; provided, however, the market value of such investments shall not exceed five percent of the combined assets of all of the Pension and Annuity Funds.

(c) Notwithstanding the restrictions in this subchapter, the Council may approve the purchase of bank loans on a case-by-case basis.

**17:16-23.3 Eligible funds**

(a) For purposes of this subchapter, eligible funds shall include:

1. Common Pension Fund B; and
2. Common Pension Fund E.

**17:16-23.4 Limitations**

(a) At the time of initial purchase of bank loans, the following conditions shall be met:

1. Not more than 10 percent of the market value of the assets of any eligible fund shall be invested in bank loans, whether direct or through separate accounts, funds-of-funds, commingled funds, co-investments and joint ventures that primarily invest in bank loans; and

Amended by R.2000 d.372, effective September 18, 2000.  
See: 32 N.J.R. 2584(a), 32 N.J.R. 3455(a).

In (d), substituted a reference to 22 percent for a reference to 20 percent.

Amended by R.2006 d.258, effective July 17, 2006.  
See: 38 N.J.R. 1409(a), 38 N.J.R. 3064(a).

Rewrote the section.

Recodified from N.J.A.C. 17:16-44.3 and amended by R.2006 d.317, effective September 5, 2006.

See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

In (a)4, substituted "international corporate" for "Canadian"; and added (a)5.

Amended by R.2007 d.258, effective August 20, 2007.  
See: 39 N.J.R. 1464(b), 39 N.J.R. 3548(d).

In (a)4, substituted "30 percent" for "22 percent"; and in (b), deleted "1 or 2" following "(a)".

Amended by R.2007 d.385, effective December 17, 2007.  
See: 39 N.J.R. 3727(a), 39 N.J.R. 5367(b).

In (a)2, substituted "five" for "10".

Amended by R.2008 d.392, effective December 15, 2008.  
See: 40 N.J.R. 4692(a), 40 N.J.R. 6998(b).

In (a)3, inserted "convertible" preceding "preferred" three times, and inserted "debt" three times.

SUBCHAPTER 45. COVERED PUT OPTIONS

17:16-45.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Covered put options" shall mean put options, including index-based put options purchased for common stocks held in the pertinent portfolio, except that index-based put options may be purchased and subsequently resold if substantially all of the underlying securities contained in the index correspond to securities eligible for investment by, and are actually held in the portfolio of, an eligible fund.

Amended by R.2001 d.119, effective April 2, 2001.  
See: 33 N.J.R. 372(b), 33 N.J.R. 1115(a).

In section name, deleted "; covered call options".

Amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Section was "Definition". Rewrote the section.

17:16-45.2 Permissible transactions

Subject to the limitations contained in this subchapter, the Director may purchase and subsequently sell put options, including index-based put options, on behalf of any eligible fund, provided that any covered put option purchased or sold shall be listed on a securities exchange, traded on an over-the-counter market or be bid/offered on a competitive basis with multiple broker dealers.

Amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Rewrote the section.

Amended by R.2008 d.239, effective August 18, 2008.  
See: 40 N.J.R. 2093(a), 40 N.J.R. 4824(c).

Deleted designation (a), substituted "traded on an" for "in the United States or the" and inserted "or be bid/offered on a competitive basis with multiple broker dealers".

17:16-45.3 Eligible funds

(a) For purposes of this subchapter, eligible funds shall include:

1. New Jersey Better Educational Savings Trust;
2. Supplemental Annuity Collective Trust;
3. New Jersey State Employees Deferred Compensation Equity Fund;
4. New Jersey State Employees Deferred Compensation Small Capitalization Equity Fund;
5. Common Pension Fund A; and
6. Common Pension Fund D.

Amended by R.1996 d.222, effective May 6, 1996.  
See: 28 N.J.R. 1366(a), 28 N.J.R. 2397(a).

Added Deferred Compensation Plan-Equity Fund.

Amended by R.1998 d.31, effective January 5, 1998.  
See: 29 N.J.R. 4410(b), 30 N.J.R. 106(c).

Added (a)4.

Amended by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Section was "Applicable funds". Rewrote the section.

17:16-45.4 (Reserved)

Amended by R.1996 d.222, effective May 6, 1996.  
See: 28 N.J.R. 1366(a), 28 N.J.R. 2397(a).

Deleted exception for holdings subject to divestment under P.L. 1985, c.308.

Repealed by R.2006 d.317, effective September 5, 2006.  
See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Section was "Limitations".

SUBCHAPTER 46. COMMON AND PREFERRED STOCKS AND DEBT ISSUES CONVERTIBLE INTO COMMON STOCK OF INTERNATIONAL CORPORATIONS AND EXCHANGE-TRADED, GLOBAL, REGIONAL OR COUNTRY FUNDS IN EMERGING MARKETS

17:16-46.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Common stocks" shall mean shares of stock, other than preferred stocks, representing ownership in a corporation.

"Convertible debt issue" shall mean debt obligations of any corporation which is convertible into the common stock of the corporation.

"Emerging markets" shall mean countries that are not included in the Morgan Stanley Capital International (MSCI) Equity Index Series for developed markets or another similar index selected by the Director and approved by the Council.

“Exchange-traded funds” shall mean mutual funds that track a predetermined index and can be traded like shares of common stock.

“International corporation” shall mean a corporation deemed by the Director to be based in a country other than the United States. In determining where a corporation is based, the Director shall consider factors including, but not limited to, the corporation’s country of incorporation, its main equity trading market, its shareholder base, the geographical distribution of its operations, the location of its headquarters, and the country in which investors consider the corporation to be most appropriately classified.

“Preferred stocks” shall mean shares of stock which provide a dividend that is paid before any dividends are paid to holders of common stock and additional rights above and beyond those conferred by common stock.

New Rule, R.2006 d.317, effective September 5, 2006.

See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Former N.J.A.C. 17:16-46.1, Permissible investments, recodified to N.J.A.C. 17:16-46.2.

Amended by R.2007 d.259, effective August 20, 2007.

See: 39 N.J.R. 1465(a), 39 N.J.R. 3549(a).

Added definition “Exchange-traded funds”.

Amended by R.2008 d.393, effective December 15, 2008.

See: 40 N.J.R. 4693(a), 40 N.J.R. 6999(a).

Added definitions “Common stocks”, “Convertible debt issue”, and “Preferred stocks”.

### 17:16-46.2 Permissible investments

(a) Subject to the limitations contained in this subchapter, the Director may invest and reinvest the moneys of any eligible fund in:

1. Stock issued by an international corporation deemed by the Director to be based in an emerging market country and whose stock trades on a securities exchange or over-the-counter market. If the Director determines that a company that is not incorporated in an emerging market country is based in an emerging market country, he or she shall prepare a memorandum explaining such determination and shall inform the Council of his or her determination at its next regularly scheduled meeting; and

2. Exchange-traded funds or closed-end global, regional or country funds which invest in emerging markets and which are traded on a securities exchange or the over-the-counter markets, and which have a minimum market capitalization of \$US 100 million. For purposes of this subchapter, exchange-traded funds or closed-end global, regional or country funds shall be considered as common stock in determining all applicable limitations contained within this subchapter. Subsequent to purchase, if capitalization falls below \$US 100 million, the investment does not have to be sold.

(b) Notwithstanding the restrictions contained in (a) above, the Council may approve the purchase of common and preferred stocks and issues convertible into common stock of

international corporations or global, regional or country funds in emerging markets on a case-by-case basis.

(c) Notwithstanding the restrictions contained in (a) above, the Director may:

1. Exercise the conversion privileges in the common stocks of any security acquired under this subchapter;

2. Purchase the preferred stock, whether convertible or not, of a company, the stock of which qualifies for investment and under this subchapter;

3. Purchase the convertible debt issue of a company, the common stock of which qualifies for investment under this subchapter;

4. Purchase stock in new public offerings of companies in emerging markets without prior approval of the Council provided, however, approval will be sought at the next regularly scheduled Council meeting in the event the investment does not subsequently meet the requirements of this subchapter. If approval is not granted, the securities shall be sold within three months of the Council’s disapproval; and

5. Retain any distribution received as a result of a corporate action, even if the security does not meet the requirements of this subchapter.

Amended by R.2004 d.257, effective July 6, 2004.

See: 36 N.J.R. 1747(a), 36 N.J.R. 3272(b).

Rewrote the section.

Recodified from N.J.A.C. 17:16-46.2 and amended by R.2006 d.259, effective July 17, 2006.

See: 38 N.J.R. 1410(a), 38 N.J.R. 3065(a).

Rewrote the section. Former N.J.A.C. 17:16-46.1, Definition of emerging markets, repealed.

Recodified from N.J.A.C. 17:16-46.1 and amended by R.2006 d.317, effective September 5, 2006.

See: 38 N.J.R. 2039(a), 38 N.J.R. 3632(a).

Rewrote (a)1; in (a)2, inserted “a securities exchange”; and deleted (d). Former N.J.A.C. 17:16-46.2, Eligible funds, recodified to N.J.A.C. 17:16-46.3.

Amended by R.2007 d.259, effective August 20, 2007.

See: 39 N.J.R. 1465(a), 39 N.J.R. 3549(a).

In (a)2, substituted “Exchange-traded funds or closed-end global” for “Global”, substituted “100 million” for “50 million” two times, and added the second sentence.

Amended by R.2008 d.240, effective August 18, 2008.

See: 40 N.J.R. 2094(a), 40 N.J.R. 4824(d).

In (a)1, rewrote the first sentence and inserted the second sentence.

Amended by R.2008 d.393, effective December 15, 2008.

See: 40 N.J.R. 4693(a), 40 N.J.R. 6999(a).

In (c)2 and (c)3, substituted “subchapter” for “Subchapter”; and in (c)3, inserted “debt”.

### 17:16-46.3 Eligible funds

For purposes of this subchapter, eligible funds shall include Common Pension Fund D.

Recodified from N.J.A.C. 17:16-46.3 and amended by R.2006 d.259, effective July 17, 2006.

See: 38 N.J.R. 1410(a), 38 N.J.R. 3065(a).

Section was “Applicable funds”. Rewrote the section. Former N.J.A.C. 17:16-46.2, Permissible investments, recodified to N.J.A.C. 17:16-46.1.