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WSRC/BSRI SIP and Market Timing Information

The Securities & Exchange Commission (SEC) has released a proposal intended to curb short-term trading activities in mutual funds. Short-term trading is moving money in and out of an investment fund within a short period of time in an apparent effort to conduct trading referred to as "market timing." The SEC proposal is to implement a 2 percent redemption fee on all money traded within five days and would apply to almost all mutual funds that are offered in plans such as WSRC's Savings and Investment Plan (SIP). If such a proposal is adopted, the SIP would be forced to comply.

The SIP is intended to be a long-term investment vehicle. Short-term "market timing" is not consistent with this intent. SIP transactions that appear to be short-term market timing transactions are currently being monitored. If it appears that this type of transaction is occurring in funds in the SIP, it may become advisable to impose some type of trading restriction to stop this activity. We will notify all participants if such a restriction is necessary or it becomes required by law.