



State of New Jersey

Department of the Treasury

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State Investment Council Forms Search Committee to Select New Director for Division of Investment, Tim Walsh Leaving For Private Sector Position, Chris McDonough Named Acting Director

TRENTON – State Treasurer Andrew Sidamon-Eristoff announced that State Investment Council Chairman Robert Grady is leading a search committee of council members to select a replacement for Tim Walsh as Director of the Division of Investment.

The Treasurer said that Walsh, who has an extensive background in both private and public sector investment management, resigned from his post effective Aug. 30 to accept a real estate management position in the private sector. He has served as Director of the Division since August 2010.

The Treasurer has named Deputy Director Chris McDonough to serve as Acting Director until a new permanent Director is in place. McDonough joined the Division in January 2011. He previously served as Chief Investment Officer for the Philadelphia Board of Pensions and Retirement.

The Division oversees the State's \$74 billion pension fund and its \$12 billion Cash Management Fund that is used as a short-term investment vehicle by the State and many municipalities.

"The State of New Jersey and the nearly 800,000 beneficiaries of its Pension Fund have benefitted from Tim's skillful leadership of the Division over the past three years," the Treasurer said. "We appreciate his contributions and wish him well in the next phase of his

career. I have every confidence that the search committee will find a successor with the right combination of skills and experience to lead the nation's twelfth largest public pension fund to continued success and high levels of performance."

State Investment Council Chair Robert Grady said that, under Walsh, the Division of Investment had performed very well over the last three years through various types of market cycles.

"The beneficiaries of the pension system and the citizens of New Jersey owe Tim Walsh a debt of gratitude. For the last three years, with Tim's skillful leadership, New Jersey has outperformed both its benchmarks and its peers," Grady said. For the three years ended June 30, 2012, Grady stated, the pension fund's overall return was 11.11 percent per year, 106 basis points better than its benchmark." In Fiscal Year 2011, it achieved a return of 18.05 percent, its best in 13 years, and was named "Large Public Pension Plan of the Year by *Institutional Investor's Money Management Letter*.

Grady said that Walsh had helped lead the fund's initiatives to negotiate more favorable fee arrangements with advisors, increase its diversification, offer more transparency about its holdings, and develop innovative new partnerships with investment firms that allowed it to acquire proprietary positions. "Tim will be sorely missed," Grady added.

"The opportunity to work with a great board, administration and some of the best professionals I've encountered in my career have made the last three years a very rewarding time in my life," said Walsh.

Grady said that council Vice Chairman B. Thomas Byrne, Jr., and members Jeffrey Oram, Timothy McGuckin and Guy Haselman have initially agreed to serve on the search committee. Grady said that more members may be added in the coming days. He said the Search Committee will be considering both internal and external candidates and its goal will be to have a new Director in place at the start of 2014.