



State of New Jersey

Department of the Treasury

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For Information Contact:
Tom Vincz
(609) 633-6565

Additional Investment Proposal Details Posted on Treasury Web Site

TRENTON -- In an ongoing effort to provide information on components of Governor Jon S. Corzine's Economic Assistance and Recovery Program, the Department of the Treasury has posted additional details on the proposed program to invest \$500 million from New Jersey's pension fund and other assets in government-insured secure accounts in New Jersey banks.

According to Division of Investment Director William Clark, the proposed program is facilitated by new FDIC protections, which will provide 100 percent guarantees to the pension fund on these investments.

The \$500 million to be invested through the program will augment the same type of investments (short-term investments such as Treasury bills, commercial paper and bank CDs) that are already being made to financial institutions from both New Jersey's Cash Management Fund and the pension fund's bond portfolio. "The difference is, the Governor's proposal opens this type of investment to a wider universe of banks, such as local banks, which gives the pension fund broader access to attractive returns while providing banks with more resources to better serve their New Jersey customers."

"These types of accounts are a normal part of virtually all short-term money market funds and bond portfolios. For example, right now roughly ten percent of the Cash Management Fund is invested in bank certificates of deposit, and our bond portfolio has over \$500 million in such type of investments. Now, by taking advantage of the new federal programs, we can continue to make these types of investments and receive the benefit of the government guarantees," Clark said

The full backgrounder, which will be updated periodically, can be viewed on Treasury's home page, www.state.nj.us/treasury.