



State of New Jersey

Department of the Treasury

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NJ Treasury Statement on Financial Market Events

TRENTON – State Treasurer David Rousseau issued the following statement in response to today’s market events in the financial industries sector:

“New Jersey is monitoring the unprecedented events in the financial markets closely. Over many months of market turmoil this year, New Jersey's pension portfolio has outperformed its peers, in large measure because we have materially underweighted financial companies. Like all pensions funds, we have exposure to every sector; when financial stocks suffer the most severe shocks in decades, we will lose market value in that sector. While we owned a small position in Lehman Brothers, we note as well that New Jersey, unlike most peers, completely avoided exposure to market losses because we did not own any Freddie or Fannie common stock when they were seized by the U.S. Treasury.

"Despite the complexities and challenges of today's market, New Jersey will manage through turmoil in financial services because its portfolio is diversified. Our diversification into alternative strategies was designed to mitigate risk, and it has improved New Jersey’s performance in this difficult market. Had we been able to implement this modernization effort years ago as some had suggested, we would have reduced portfolio losses subsequently incurred. We remain focused on cultivating the long term security of New Jersey's pension fund through well-reasoned decisions that identify opportunities and manage risks."

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