



State of New Jersey

Department of the Treasury

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New Fund to Invest and Help Grow State Economy Announced

TRENTON – New Jersey Division of Investment (DOI) Director William G. Clark today announced that the Division has helped launch a new fund designed to strengthen the return on state pension funds through investment in growing companies doing business in the Garden State. These investments, the first from a fund of this kind for the \$80 billion pension portfolio, will be made through the recently created New Jersey Directed Investment Fund (NJDIF) – a new pool of private equity created with the specific purpose of seeking attractive investment returns by investing in growing New Jersey businesses.

“This innovative fund represents a unique opportunity to provide the pension fund with strong returns and at the same time, encourage the growth of small and mid-sized companies in New Jersey,” Clark said. He noted this is a part of an overall strategy to diversify pension fund assets into alternative investments that began in 2005.

“The NJDIF is a direct outgrowth of a more diversified investment strategy for our pension fund. Between Lehman Brothers and the Division of Investment, we expect to be able to identify many attractive investment opportunities within the State,” Clark said.

Earlier this year, the Division of Investment partnered with Lehman Brothers to establish the NJDIF with a \$105 million investment commitment from both partners. Following a DOI due diligence and closing process that concluded this month, New Jersey and Lehman are prepared to proceed with the investments. The Fund is designed to achieve attractive investment returns while providing economic benefit to the state by constructing a diversified portfolio of funds and direct investments to companies that are headquartered in New Jersey and/or have significant operations in the state, as well as companies willing to move to New Jersey or grow their operations in the state.

The new fund primarily will make investments in private equity funds, private companies and/or companies issuing securities outside of a public offering. The fund's focus will include investments in venture capital, growth equity or small to mid-cap companies.

Treasurer Bradley Abelow and Gary Rose, chief of the State Office of Economic Growth applauded the announcement.

"The NJDIF is in keeping with the Corzine Administration's efforts to promote economic development, job creation and investment in New Jersey," Abelow said.

"Investing New Jersey's money in New Jersey companies is a sound business decision that will help encourage prosperity and economic growth of the state," Rose said.

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