



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
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RICHARD J. CODEY
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State Treasurer

September 29, 2005

Report to the New Jersey Legislature
pursuant to P.L. 2005, c.162
(Investments in Sudan)

Chapter 162 of the Public Laws of 2005 (the "Act") requires that the Director of the Division of Investment (the "Division") file with the Legislature a report of all investments held as of August 1, 2005 which are in violation of the provisions of the Act. The Act provides that no assets of any pension and annuity fund under the jurisdiction of the Division shall be invested in any foreign company with an equity tie to the government of Sudan or its instrumentalities and is engaged in business in or with the same. The provisions shall not apply to the activities of any foreign company providing humanitarian aid to the Sudanese people through either a governmental or non-governmental organization.

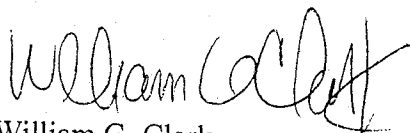
In accordance with the provisions of the Act, the State Investment Council and the Director of the Division shall review the recommendations of, and consult with an independent research firm that specializes in global security risk for portfolio determinations. The Division has retained a consulting firm pursuant to the Act to assist it in determining which foreign companies have equity ties to the government of Sudan or its instrumentalities. In addition, the Division has undertaken an effort to identify which foreign companies in its pension and annuity portfolios are covered by the prohibitions in the Act, by mailing questionnaires to 496 foreign corporations.

Based upon the questionnaire responses received to date, we have identified the following companies held in the pension and annuity fund portfolios as of August 1, 2005 which may have an equity tie to the government of Sudan or its instrumentalities and are engaged in business in or with the same:

<u>Company</u>	<u>Shares</u>	<u>Market Value</u>
ABB Ltd.	2,000,000	\$ 11,576,465
Ericsson Telephone Co.	61,500,000	257,981,790
Royal Dutch Shell	2,936,665	93,852,230
Siemens AG	800,000	62,458,788
	<u>67,236,665</u>	<u>\$ 425,869,273</u>

The Act requires that any investment held in violation of the provisions of the Act must be sold, redeemed, divested or withdrawn no later than August 1, 2008.

In accordance with the Act, the Division will report annually on all investments sold, redeemed, divested or withdrawn in compliance with the Act. Each annual report shall provide a description of the progress which the Division has made since the previous report and since the enactment of the Act in implementing the provisions of the Act.



William G. Clark
Director