

**Remarks by  
NYC Comptroller William C. Thompson, Jr.  
at the State of Israel Bonds Dinner  
Grand Hyatt, Manhattan  
Thursday, September 18, 2008  
7:30 PM**

Good evening. I want to thank you for those kind words of introduction and offer many thanks to your President and CEO, Joshua Matza, for his leadership and incredible work to spur development in Israel.

I want to acknowledge tonight's guest speaker, Senator Hillary Rodham Clinton ... Although this year may not have turned out as she planned, I know I speak for all of us when I say that no matter who you supported, Senator Clinton did New York proud. It will always be an honor to call her *our* Senator.

And finally, I'd like to express my appreciation to the man we are honoring tonight, a man who has been a champion for Israel and New York City, a man who has been a incredible leader in the labor movement, a man who has stood with us through countless battles with strength and determination: Stuart Appelbaum.

Under Stuart's guidance, the RWDSU has waged aggressive campaigns across the nation with tremendous results. I am proud to have worked with Stuart during many of these important battles to get new and fair contracts for his members, leading to higher wages and expanded health coverage for working families in New York City.

I have also been fortunate to see up close Stuart's efforts to ensure that the American Labor movement is an agent of change abroad. As President of the Jewish Labor Committee, he has done outstanding work to spread the values of freedom, opportunity and social justice.

And, for all of us, Stuart has always been a constant source of guidance, wisdom and sound advice. And his politics is always guided by principles and purpose. For that and more, we are all grateful.

It is an honor to be here at this State of Israel Bonds Dinner. Our presence tonight reaffirms just how strong the friendship between New York City and Israel is and should continue to be. It is connected by the bonds of kinship and faith, as well as business and political ties.

In my own way I have tried to further those connections and to build on them...One of my roles as the City Comptroller is to serve as a Trustee to four of the City's five retirement systems and chief investment advisor to all five Funds, which currently total roughly \$106 billion dollars.

As we all know, these are uncertain times in our capital markets. Although nobody could have predicted just how bad this financial crisis was going to be, the Trustees and I have been preparing for volatility in the markets.

Ever since I took office in 2002, we have been taking steps to reduce the Funds' exposure to risk by diversifying our portfolio beyond the traditional asset classes. To accomplish this, we searched for quality but overlooked opportunities. That search led us to Israel Bonds.

As some of you may know, in my first term I spearheaded a move to invest some of the City's pension monies for the first time in Israel Bonds. Eventually, in 2003, our Teachers Retirement System purchased \$5 million in State of Israel LIBOR floating rate bonds. A year later, we invested another \$5 million, bringing the total investment to \$10 million.

The purchase of those bonds was important for two reasons. First and foremost it served our fiduciary responsibility to strengthen and diversify the Teachers Retirement System portfolio. But this investment also served another purpose relating to our larger support for Israel.

In 1948, a new nation, emerging from war, opened its doors to wave upon wave of new arrivals from Europe, North Africa and around the world. This new nation was in need of funds to build roads, schools and hospitals, and to create a strong network of services for its new citizens.

In response an idea was born: Israel Bonds. Fifty-seven years ago, when Prime Minister David Ben-Gurion formally launched the Israel Bond campaign, this idea took root, and in the time since then, the idea has never stopped growing.

Friends and supporters of Israel in the United States helped create the economic foundation that has allowed Israel to grow into a strong and vibrant nation.

In 2003, I had the honor of visiting Israel for the first time. I traveled there as part of a delegation of New York City and State elected officials, on a visit sponsored by UJA-Federation and the Jewish Community Relations Council. The experience was moving ... informative and, above all, inspiring.

Upon arriving, I realized that no matter how many articles I had read about Israel, no matter how much I knew about the geography, the people, the history, there is simply no substitute for seeing a country with your own eyes.

I was moved by my contact with the many Israelis who took the time to meet with me and my colleagues. Our ethnically diverse group was welcomed with warmth, great interest, and gratitude by everyone we encountered. I came to understand the depth of the friendship between Israel and America in a new way.

The purchase of State of Israel bonds is a way to express the importance of that friendship. That is why I'm delighted to make an announcement here tonight. I am proud that the New York City Pension Funds have been able to serve the best financial interests of their members while furthering a tradition of support for a great ally.

In the Comptroller's office we believe very strongly that as institutional investors we have an opportunity – an obligation truly – to both seek the greatest return on investment while attempting to achieve laudable goals through our investments.

Israel Bonds have helped us achieve these goals and on behalf of the New York City Employees' Retirement System, I am proud to announce that we have purchased an additional \$15 million of State of Israel fixed rate bonds.

This investment will strengthen and diversify the NYCERS portfolio and demonstrate our continued confidence in Israel's economy. To mark this occasion, it is my honor to present this check for \$15 million dollars to your President and CEO, Joshua Matza.

Thank you and enjoy the rest of your evening.

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