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## Press Release

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### **CalPERS Invests \$350 Million In Emerging Managers - Includes \$150 Million to First Fund-of-Funds Firm**

**SACRAMENTO, CA** – The California Public Employees' Retirement System (CalPERS) has invested an additional \$350 million to expand its commitment to emerging managers that have less than \$2 billion in total firm assets.

The investment includes \$150 million to FIS Group, an emerging manager fund of funds. It is the pension fund's first fund-of-funds investment for emerging managers with long-only strategies.

"This fund of funds has an important role in our effort to find emerging managers who show promise of becoming major players in the market," said Russell Read, CalPERS Chief Investment Officer. "FIS will give us access to a larger number of skilled emerging firms to generate solid investment returns and reflect the diversity of the market."

FIS is the first manager to be funded from a new CalPERS-approved pool of emerging fund-of-funds investment management firms. The firms deploy capital to emerging managers that have long-only strategies and assets of \$2 billion or less.

The FIS fund-of-funds is authorized to include U.S., global and international equity managers. The nine funds in its current lineup include Atlanta Life Investment Advisors, Paradigm Asset Management Company, LLC, and Profit Investment Management - three African American-owned firms. AH Lisanti Capital Growth LLC and OakBrook Investments LLC are woman-owned. The other funds are DSM Capital Partners LLC, Mastrapasqua Asset Management, Moody Aldrich Partners LLC, and Rushmore Investment Advisors, Inc.

CalPERS also invested \$200 million in Redwood Investment Management, the second firm to be funded in the second phase of the retirement system's Manager Development Program (MDP) effort. CalPERS launched MDP I in December 2000 and made its first MDP II investment of \$100 million in Piedmont Investment Advisors in March 2006. Legato Capital Management, a CalPERS MDP partner, put together the Redwood and Piedmont investments.

As of December 31, 2007, CalPERS had \$1.1 billion invested in seven MDP domestic equity managers, and \$107.3 million in the MDP II Piedmont Large Cap Core Fund. An additional \$321.7 million was with two MDP international equity managers, and \$202.6 million was with LM Capital-Investments in MDP fixed income.

CalPERS is the nation's largest public pension fund with assets totaling approximately \$240 billion. The System provides retirement and health benefits to 1.5 million State and local public employees and their families. For more information about CalPERS, visit [www.calpers.ca.gov](http://www.calpers.ca.gov).

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