



**GROVE STREET**  
**ADVISORS, LLC**

U. S. AND INTERNATIONAL PRIVATE EQUITY

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## **CalPERS Selects Grove Street Advisors to Invest \$350 Million into Venture Capital Investments**

### **New Investments Likely To Target California**

SACRAMENTO, CA - The California Public Employees' Retirement System (CalPERS) has selected Grove Street Advisors to implement and operate a new investment program that will invest up to \$350 million in venture capital investments.

It is expected that much of the capital will be deployed in California given the high concentration of venture capital funds and high-technology companies, such as information systems and biotechnology.

"The pace of technological change in California is accelerating, creating significant investment opportunities," said William D. Crist, President of CalPERS Board of Administration. "This program allows us to tap the emerging venture funds early to establish long-term relationships."

Grove Street Advisors, based in Lexington, Massachusetts, will target top-performing existing venture capital partnerships and new partnerships that potentially could emerge as the blue-chip venture capital firms in the 21st century.

The new investment vehicle is expected to help the US pension fund earn attractive returns and build long-term relationships in the venture capital arena. Venture capital funds gained upwards of 34 percent in annual investment returns from 1990-1996.

"Grove Street Advisors has an excellent team of investment professionals with skills and experience investing in the venture capital market," said Charles P. Valdes, Chairman of CalPERS Investment Committee.

CalPERS' increased exposure to venture capital investments should also diversify the fund's alternative investments. Currently, venture capital investments account for only 9 percent – or \$573 million – of the System's \$4.2 billion Alternative Investment Management program.

Selection of Grove Street Advisors is contingent upon satisfactory negotiations of terms and conditions.

CalPERS manages more than \$134 billion in assets, making it the largest public pension fund in the nation. The System provides retirement and health benefits to more than one million public employees and their families. Grove Street Advisors is a private equity advisory firm built by professionals with "operational" experience in the industry. For further information about CalPERS, visit the System's Web site at <http://www.calpers.ca.gov>.