

April 15, 2008

**STRATEGIC INVESTMENT GROUP AND CALPERS SELL THEIR INTEREST IN
SMITH ASSET MANAGEMENT GROUP**

Arlington, VA – Strategic Investment Group Ventures, LLC, a joint venture formed by the California Public Employees' Retirement System (CalPERS) and Strategic Investment Group (Strategic), has completed a transaction to sell its interest in Smith Asset Management Group, L.P. (Smith) back to Smith effective as of April 1, 2008. While financial terms of the transaction were not disclosed, the CalPERS/Strategic joint venture retains a contingent interest in the firm's future revenue growth for a period of time.

Smith had originally sold a portion of its ownership to the CalPERS/Strategic joint venture in 2003 under the first CalPERS Manager Development Program (MDP I). "It was our hope that the MDP I would give us strong momentum in assets, visibility and resources to accelerate our growth. The program has fulfilled this hope and we are pleased that this transaction will allow us to continue our relationship with Strategic and CalPERS. At the same time, we are delighted to be placing greater equity ownership in the hands of our key personnel, which we believe further aligns our interests with those of our clients," said Stephen S. Smith, Founder and CEO of Smith.

"We are proud to be realizing our investment in Smith, as it reaffirms our belief in the value of the program," said Hilda Ochoa-Brillembourg, President and CEO of Strategic. "It has been a mutually beneficial relationship, and while we look forward to a continuing association with Smith, we believe that this is an appropriate time for the firm to transition equity ownership back to its employees as it embarks on the next stage of its growth."

Strategic, one of CalPERS' partners, manages the MDP I, a program which provides both investment assets and equity capital to emerging investment firms in exchange for a minority ownership interest in the participating firms. In addition, Strategic offers advice to each selected firm with respect to business management and business development. Under MDP I, which was established in 2000, Strategic was hired with the assignment of building a \$2 billion emerging manager portfolio. The CalPERS/Strategic joint venture made investments in eight emerging firms under that program. Smith is the third of these eight investments to be successfully transitioned following the sales of the joint venture's interest in Golden Capital Management, LLC in 2005 and Pyrford International plc in 2007.

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.

Strategic was founded in 1987 as a provider of discretionary, customized manager-of-manager programs for all asset classes. Since inception, Strategic has been investing in emerging managers, both with and without equity participation, acting as a seasoned, experienced, and proven partner in emerging manager programs. Today, Strategic and its affiliates manage approximately \$52.6 billion in assets (as of December 31, 2007). For more information about Strategic, visit www.strategicgroup.com.

Smith was founded in 1995 by Stephen S. Smith and is based in Dallas, Texas. The firm manages U.S. equity portfolios for a variety of clients including foundations, endowments, corporate and public pension plans, multi-employer plans and high-net worth individuals. Smith currently manages approximately \$6.3 billion in assets (as of December 31, 2007) across eleven investment strategies including Large Cap Core/Growth, Large Cap Growth, Small Cap Equity and Small/Mid Cap Equity. For additional information about Smith, visit www.smithasset.com.

Contact: Deb Boedicker at (703) 243-4433 or info@strategicgroup.com