

LATEST NEWS

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OPERS opens Midwest VC fund

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Business First

The [Ohio Public Employees Retirement System](#) is putting its money to work close to home.

The system said Monday it set up a \$50 million venture capital fund to invest in Ohio and the Midwest. The [Ohio-Midwest Fund LP](#) will be a fund of funds, investing in smaller venture capital funds.

The retirement system has invested in Ohio-based companies and funds in the past, but the job became too big to handle in-house, said Greg Uebele, senior investment officer with OPERS. The system hired [Credit Suisse First Boston LLC](#) of New York to manage the fund.

With professional management, the fund should be able to make more private equity investments than OPERS could find on its own, Uebele said.

Although the fund will invest in the Midwest whenever possible, Credit Suisse First Boston said it will go outside the region when necessary.

"First and foremost, the fund will focus on strong returns for the beneficiaries of OPERS," Mike Arpey, managing director for Credit Suisse First Boston, said in a press release.

But the presence of the \$50 million fund may draw companies to locate in Ohio, Arpey said.

The Ohio-Midwest Fund is the second fund of funds to open in Ohio in as many weeks. Fort Washington Investment Advisors Inc. of Cincinnati and Cleveland-based Peppertree Partners LLC opened Buckeye Venture Partners LLC last week.

Ohio-based funds are sorely needed, said Mark Butterworth, a Central Ohio fund manager. Central Ohio has few venture capital funds, making it harder for entrepreneurs to bring their ideas to market.

The fund's impact should grow over the next three to five years, Butterworth said, as its companies begin to hit their stride and hire workers.

"I think it's going to be great for the economy of Ohio," Butterworth said.

Credit Suisse First Boston plans to open an office in Columbus with one employee. The company manages similar funds for Indiana, Oregon, Michigan and New York. Credit Suisse First Boston is a division of Credit Suisse Group, a financial services company based in Zurich, Switzerland.

Potential fund managers can learn more about the fund at its Web site, <http://www.ohioinvestmentfund.com/>.

OPERS began a push into private equity in 2000, Uebele said. The system currently has about \$500 million invested in private companies, with the rest in public investments such as stocks and bonds. The system's portfolio totals around \$54 billion.