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Ohio PERS keeps money at home

Retirement system invests \$27 million in local firms

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The Ohio Public Employees Retirement System and its investment manager, Credit Suisse, have awarded the initial \$27 million of a \$51 million private equity fund to four Ohio firms.

Riverside Micro-Cap Fund and Blue Point Capital Partners II, both of Cleveland; Draper Triangle Ventures II, which has a Cleveland office; and Triathlon Medical Ventures of Cincinnati will share in the state retirement system's first round of investment from its Ohio-Midwest Fund L.P.

Ohio PERS put \$50 million in the fund in September, and Credit Suisse put in \$1 million. The goal of the "fund of funds" is to invest in venture capital, private equity and buyout funds that, in turn, invest significantly in Ohio companies.

"The selected funds represent a prudent investment by Ohio PERS and should provide the additional benefit of bringing valuable capital to entrepreneurs in Ohio and the Midwest, which could ultimately increase the number of jobs in the region," said Greg Uebele, senior investment officer of external managers at the state retirement system.

The retirement system has been investing in private equity since 1984, Uebele told a Wednesday gathering of investors and entrepreneurs at Windows on the River in Cleveland. But in 2000, the system expanded its private equity goal to 4 percent of its \$69 billion fund, he said.

"We think we're well-prepared to achieve success in this program," said Mike Arpey, Credit Suisse managing director.

"The fact that everybody's focused on the coasts means there's real opportunity here" in Ohio.

Credit Suisse solicited investment proposals from 29 firms, Arpey said. Three of the four firms chosen so far have ties to Cleveland.

The remaining \$24 million in the private equity fund probably will be invested in coming months.

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