CALPERS CALIFORNIA INITIATIVE

Impacting California's Underserved Communities: An Initial Assessment

The California Public Employees Retirement System (CalPERS) manages nearly $200 billion in assets and provides pension benefits to over 1.4 million California public employees, retirees and their families. The System's assets are managed in four major asset classes – Global Equities, Global Fixed Income, Real Estate, and Alternative Investments – and administered by a 13 member Board of Administration.

Over the years, CalPERS has developed a number of unique investment strategies designed to target economically underserved segments of the State of California. In May 2001, the CalPERS Investment Committee established the California Initiative Program. Through the California Initiative, the CalPERS Investment Committee approved $475 million of commitments which were allocated to ten private equity funds and earmarked for investment in "traditionally underserved markets primarily, but not exclusively, located in California."[1] Through the California Initiative, CalPERS committed capital to nine private equity funds and one fund-of-funds.† A complete list of California Initiative investment partners is provided on the back of this report.

THE OBJECTIVE OF THE CALIFORNIA INITIATIVE

To discover and invest in opportunities that may have been bypassed or not reviewed by other sources of investment capital. These opportunities should offer attractive risk-adjusted returns commensurate with their asset class. This report assesses the ancillary benefits of the California Initiative. CalPERS did not request Pacific Community Ventures and LP Capital Advisors to evaluate the financial performance of the California Initiative.

HIGHLIGHTS

- As of June 30, 2005, private equity funds that received capital through the California Initiative had active investments in 83 companies. Seven of the portfolio company investments were made through a fund-of-funds that performed its own assessment of ancillary benefits, discussed on page 10 of this report. Sixty-eight companies provided the data that is included in the bulk of this report. All percentages of companies in this report refer to the proportion of 68 companies reporting.*
- Sixty-five (96%) of the companies are directly impacting underserved markets, meeting or surpassing at least one of the three benchmarks for reaching these markets.
- Forty-eight of the California Initiative companies (71%) are headquartered in California and 51 companies (75%) employ a significant proportion of their workforce in California.
- In-state employment at these "California Companies" grew by 12% between the time of initial investment and June 2005. By comparison, between May 2001, when the California Initiative was established, and June 2005, employment in California grew by less than 1%.[2]
- Fifty-one companies (75%) are located in areas of the United States that have traditionally had limited access to institutional equity capital. Thirty-five of these 51 companies (69%) are headquartered in California.
- Approximately 40% of California residents employed by California Initiative companies live in economically disadvantaged areas of the state.
- Thirty-nine California Initiative companies (57%) have at least one female or minority corporate officer (e.g. CEO, COO, CFO, CIO.) or owner.
- Fifty-three California Initiative companies (78%) offer health insurance to more than three-quarters of their employees. Forty-two of 49 (86%) California Initiative companies that have fewer than 100 employees offer health insurance to more than three-quarters of their workers. Nationwide, in 2004, only 63% of companies with three to 299 employees offered health benefits to workers.[3]

† A private equity fund makes direct investments in portfolio businesses. A fund-of-funds is a fund which makes investments in other funds which then invest in portfolio businesses.

* Investments fully realized prior to June 30, 2005 were not part of the assessment.

1. **Providing capital to areas of California and the United States that have historically had limited access to institutional equity capital**
   Over 30% of all venture capital investment made globally between 2000 and mid-2005 was concentrated in 100 postal code geographies. Investments made outside of these areas are considered made in areas that have historically had limited access to institutional equity capital.

2. **Employing workers living in economically disadvantaged areas**
   Companies where at least 25% of employees who reside in California live in a zip code designated economically disadvantaged are considered to have met this criterion.

3. **Supporting women and minority entrepreneurs and managers**
   Companies where at least one officer (e.g. CEO, COO, CFO, CIO) or owner is female or ethnic/racial minority are considered to have met this criterion.

California Initiative Ancillary Benefits Assessment

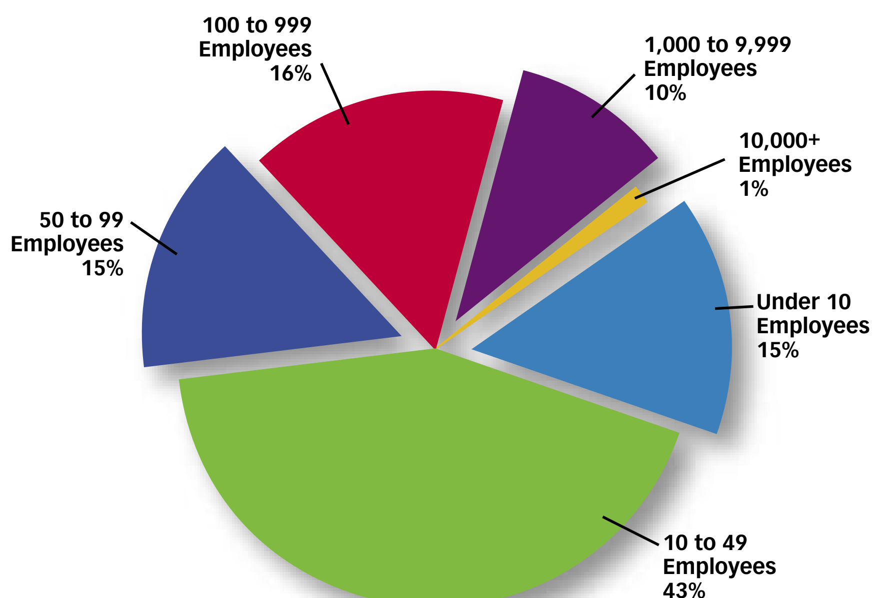
This Ancillary Benefits Assessment is designed to measure the extent to which the California Initiative is meeting its goal of investing in "traditionally underserved markets." CalPERS engaged Pacific Community Ventures[4] (PCV), a leader in measuring and interpreting community outcomes of private equity investments, and LP Capital Advisors (LPCA), CalPERS' external monitor of the California Initiative fund investments, to develop metrics, collect and analyze the corresponding data, and assess the California Initiative's outcomes in three areas: 1) providing institutional equity capital to areas of California and the nation that have historically had limited access to this source of funds, 2) employing workers living in economically disadvantaged areas of California, and 3) supporting women and minority entrepreneurs and managers. Together, CalPERS, PCV and LPCA have established performance benchmarks for each of these three criteria.[5]

As of June 30, 2005, California Initiative private equity funds had active investments in 83 companies;[‡] 76 of these investments were made through nine private equity funds that invest directly in companies. The remaining seven investments made through June 30, 2005 were made through Banc of America Capital Access Funds, which manages a fund-of-funds whose investment objectives mirror those of the California Initiative. Banc of America Capital Access Funds has prepared an Ancillary Benefits Assessment for its fund-of-funds, found on page 10 of this report.

Sixty-eight of the 76 California Initiative companies (active as of June 30, 2005), that received capital through the nine private equity funds, provided data for this report. The remainder of this assessment focuses on these 68 California Initiative companies ("California Initiative companies").

‡ California Initiative investments fully realized prior to June 30, 2005 have not been included in this report.

Nearly Three Quarters of California Initiative Companies Have Fewer Than 100 Employees



Wide-Ranging Businesses Meeting California Initiative Objectives

A Diverse Portfolio

While individual California Initiative companies vary widely in size and industry, collectively they make a significant contribution to the state's underserved markets. Forty-eight California Initiative companies are headquartered in California, with the remainder headquartered across fourteen other states. California Initiative companies range in size from two to over 25,000 employees; more than two-thirds of the companies have fewer than 100 employees. California Initiative companies have a strong focus on manufacturing, services and consumer-related businesses.

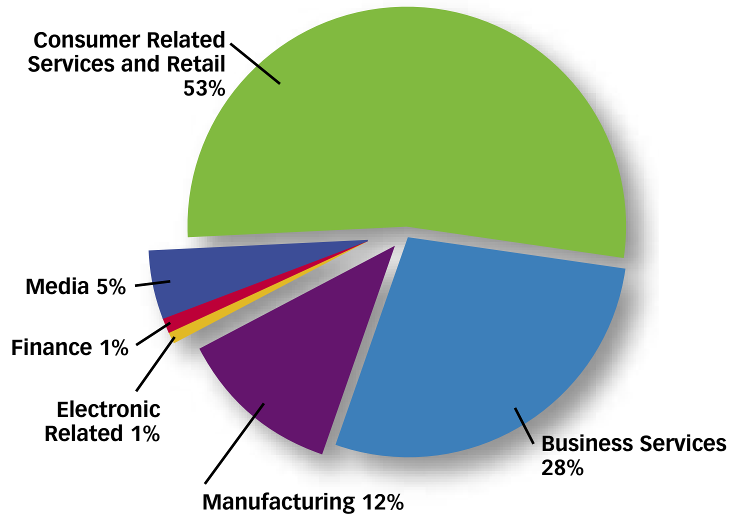
Ninety-Six Percent of California Initiative Companies Have a Direct Impact on Underserved Markets

Of the 68 California Initiative companies, 65 are directly impacting underserved markets, meeting or surpassing at least one of CalPERS' three benchmarks for reaching these markets. Thirty-nine of the companies meet two of the benchmarks and 18 companies meet all three thresholds. Fifty-one companies are located in areas of the nation that have traditionally had limited access to institutional equity capital, while 32 of the companies have a workforce where at least 25% of California employees live in economically disadvantaged areas. Thirty-nine companies have at least one female or minority corporate officer (e.g. CEO, COO, CFO, CIO) or owner. In addition, California Initiative companies have significant minority and female representation in key management positions, providing a qualified pool from which future corporate officers can be recruited.

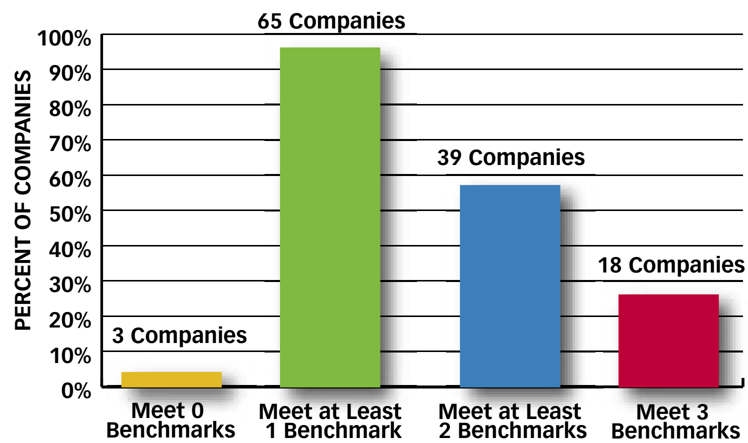
Of the 68 California Initiative companies, 48 are headquartered in California. Of these 48 companies, 34 are located in areas of the state that have traditionally had limited access to institutional equity capital, 26 have a workforce where at least 25% of California employees live in economically disadvantaged areas of the state and 29 have at least one female or minority officer or owner.

*The criteria and corresponding benchmarks are:
1. **Headquartered in areas that have traditionally had limited access to institutional equity capital.** Over 30% of all venture capital investment made globally between 2000 and mid-2005 was concentrated in 100 postal code geographies. Investments made outside of these areas are considered made in areas that have historically had limited access to institutional equity capital.
2. **Employing workers living in economically disadvantaged areas.** Companies where at least 25% of employees who reside in California live in a zip code designated economically disadvantaged are considered to have met this criterion.
3. **Supporting women and minority entrepreneurs and managers.** Companies where at least one officer (CEO, COO, CFO, CIO) is female or ethnic/racial minority are considered to have met this criterion.

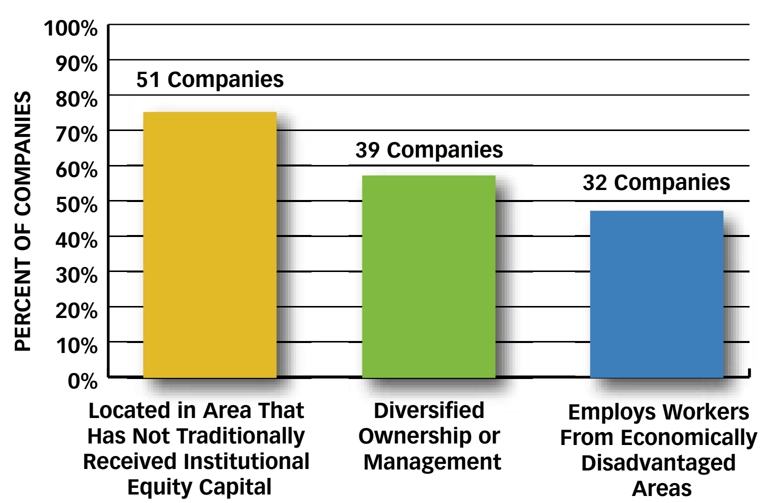
California Initiative Companies are Focused on Manufacturing, Service and Consumer-Related Businesses



Nearly 100% of California Initiative Companies Meet at Least One Underserved Market Benchmark*



Each of the Benchmarks is Reached by a Significant Proportion of All California Initiative Companies*



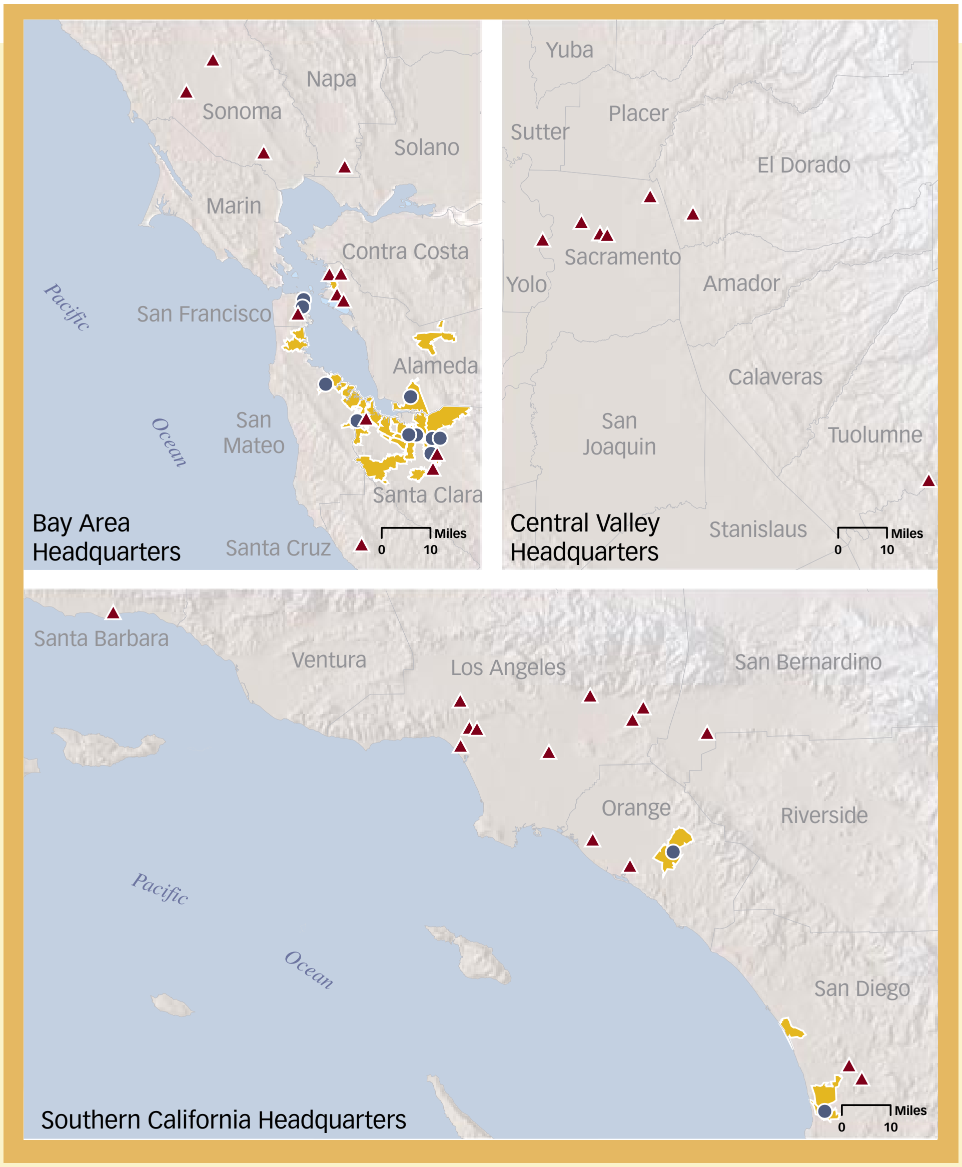
Bringing Institutional Equity to Areas of California that Have Traditionally Been Overlooked

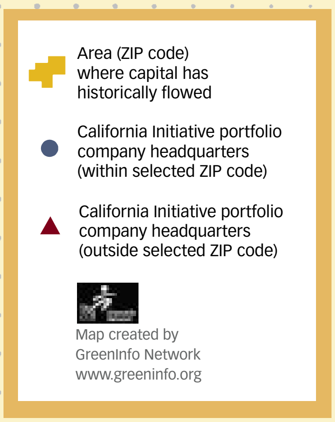
The California Initiative is meeting its objective to bring institutional equity to areas where access to such capital has historically been limited. Of the 68 California Initiative companies, 51 are headquartered in areas of the United States that have traditionally been overlooked by institutional sources of capital. Of these 51 companies, 34 are headquartered in California.

Building Economic Vitality in California

By bringing equity capital to areas of California that have been bypassed by institutional sources, the California Initiative is directly supporting business development and job creation in these underserved California markets. Furthermore, the deployment of capital investment in these markets has a broad-reaching impact. According to recent economic analyses, the long-term importance of entrepreneurial activity extends beyond job creation. Rather, research suggests that entrepreneurial activity may produce a "knowledge spillover" that encourages other entrepreneurs and spurs additional economic activity. Entrepreneurial activity positively impacts economic development—and the availability of investment capital positively impacts long-term entrepreneurial activity.[6]

The California Initiative Brings Institutional Equity Capital to Areas That Have Traditionally Been Overlooked

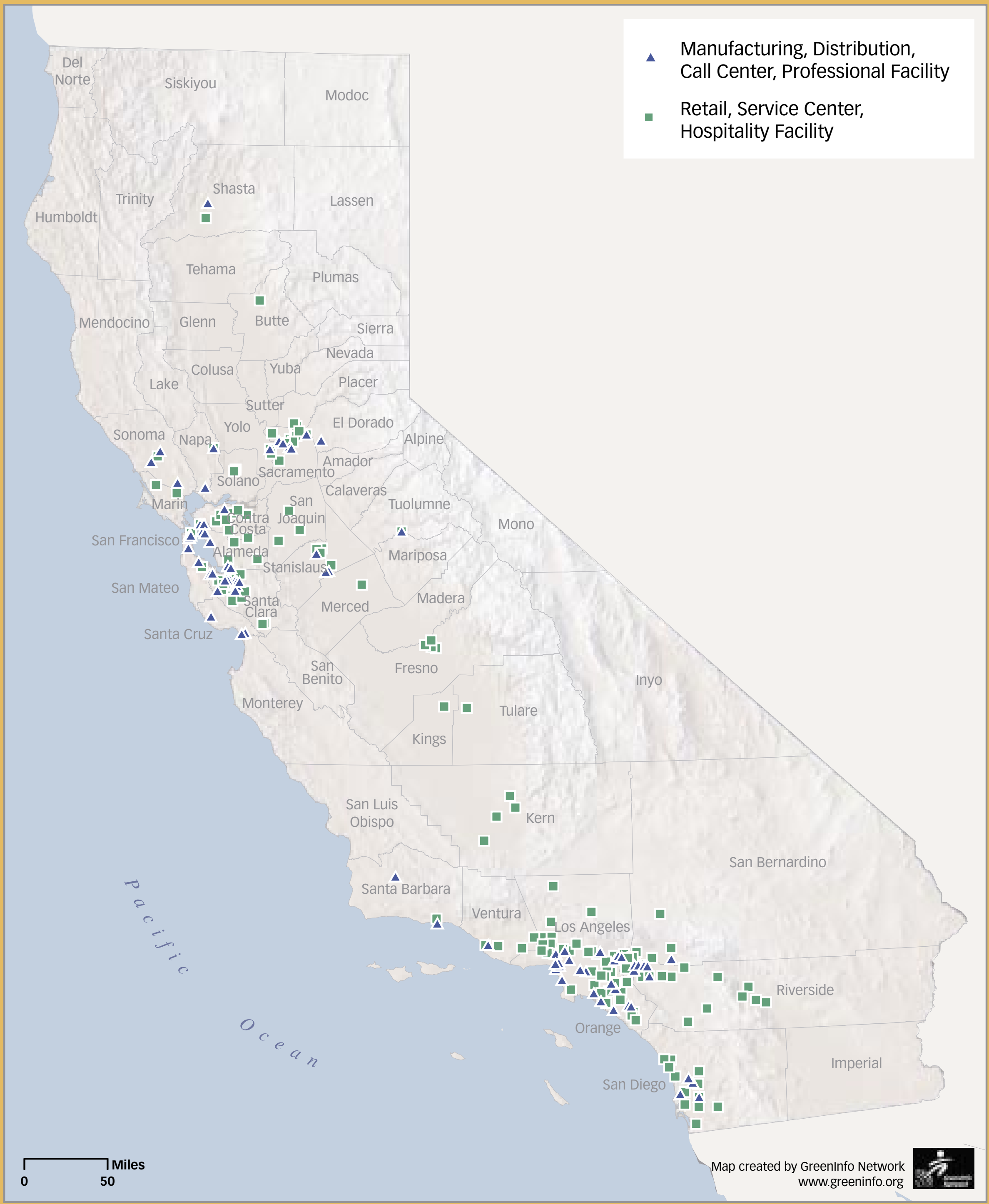




Creating Jobs for California Residents

The California Initiative is also helping to foster economic vitality across California by supporting economic activity in a wide range of locations. Of the 68 California Initiative companies, 48 are headquartered in California and employ the majority of their workforce in the state. In addition, many of the companies headquartered outside of the state have established a presence in California by employing workers in California. In total, California Initiative companies employ workers at over 170 manufacturing, distribution, retail, hospitality, call center and other service center operations in California.

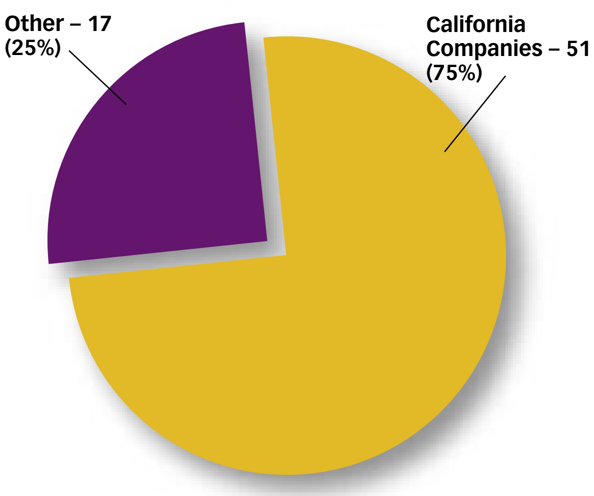
The California initiative Fosters Economic Vitality Across the State



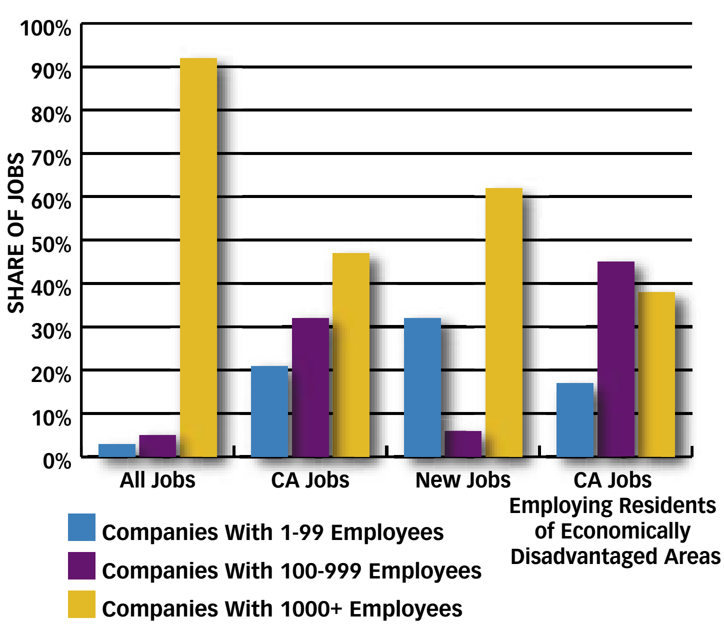
Job Creation at Portfolio Companies with a Significant California Presence Exceeds the Rate of Job Growth Statewide

Fifty-one California Initiative companies employ a significant proportion of their workforce in California§. At these "California Companies," employment within California grew by 12% between the time of initial investment of California Initiative capital, and June 2005. By comparison, between May 2001, when the California Initiative was established, and June 2005, overall employment in California grew by less than 1%.[7]

"California Companies"–California Initiative Companies That Have at Least 10% of Their Workforce in California



Investing in Small Companies is Critical for Job Creation; Large Companies are Essential to Job Retention



Overall California Initiative Job Creation Parallels Job Growth Across the United States

In aggregate, at the time they first received investment of California Initiative capital, California Initiative companies employed over 48,000 people across the country. Since initial investment, these jobs have been retained, and more than 2,000 additional jobs have been created nationwide, yielding a job growth rate of 4%, consistent with job growth across the country between 2001 and 2005.[8]

Large Companies Provide Most California Initiative Jobs; Small Companies are Critical for Job Creation

Of the 68 California Initiative companies, eight are large companies: five employ over 1,000 workers, two employ over 5,000 workers and one has over 25,000 employees. Four of these eight large companies are not headquartered in California and have no employees in the state. However, by being located in areas of the United States that have had limited access to institutional equity capital and by employing women and minority officers, these companies still meet certain of the California Initiative's criteria for reaching underserved markets. Furthermore, a significant proportion of employees at these companies are believed to live in economically disadvantaged areas of their respective states. In aggregate, the remaining four large companies employ nearly 2,500 workers in California. Of California residents employed by these four companies, 32% are residents of economically disadvantaged areas.

Within the California Initiative, large companies—those with 1,000 or more employees—account for the overwhelming number of existing jobs, while small companies—those with fewer than 100 employees—are the engine for job creation. The California Initiative's investment in eight large companies (each with over 1,000 employees) has helped retain over 45,000 jobs, but the rate of job growth at these companies since investment is just 3%. Smaller companies in the portfolio support far fewer jobs, but account for a disproportionately large share of new jobs created since investment. Companies with fewer than 100 employees added nearly 650 jobs as of June 30, 2005, an approximately 70% increase in employment since California Initiative funds were invested in these companies. Medium-sized companies, those with 100 to 999 employees, accounted for less than 10% of new jobs at California Initiative companies; however, these companies provide nearly half of all jobs employing residents of disadvantaged areas.

§ "A significant proportion" is defined as 10% or more.

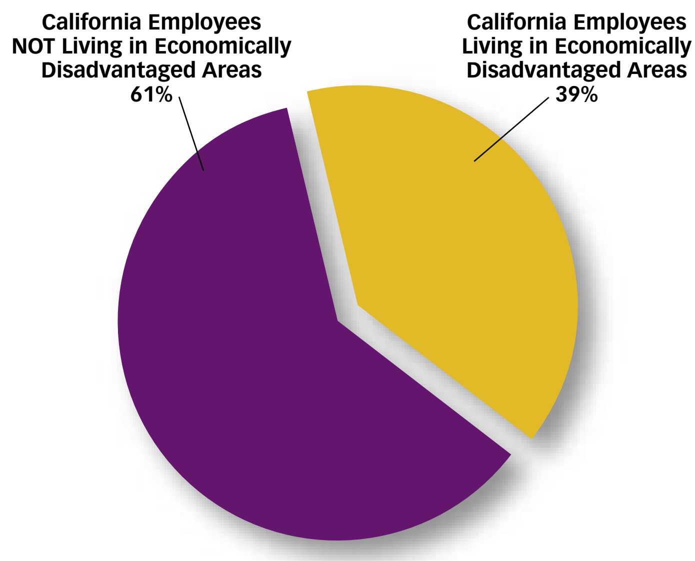
In total, California Initiative companies employ over 5,000 California residents, 10% of total portfolio company employment. The 5,000 California residents employed at California Initiative companies would represent 42% of total employment, if the four large (1,000+ employees) companies in the portfolio that have no California employees were removed.

Improving the Lives of Nearly 2,000 Residents of Disadvantaged Areas of California

The California Initiative is meeting its objective to provide jobs to residents of disadvantaged areas of California. Approximately 40% of California residents employed by California Initiative companies live in economically disadvantaged areas of the state. These approximately 2,000 Californians are employed and contributing to the rejuvenation of their surrounding communities, in part as a result of California Initiative investments.

Improving the economic circumstances of lower-income workers can have a positive impact on their local communities. Consumer spending accounts for between 60% and 70% of spending in the economy.[9] Consumers—particularly lower income consumers—tend to do the majority of their spending within a short distance of their homes. The importance of consumer spending, combined with lower-income consumers' tendency to spend in their local neighborhood, make improving purchasing power by providing jobs for residents of economically disadvantaged areas of California critical to revitalizing those areas.

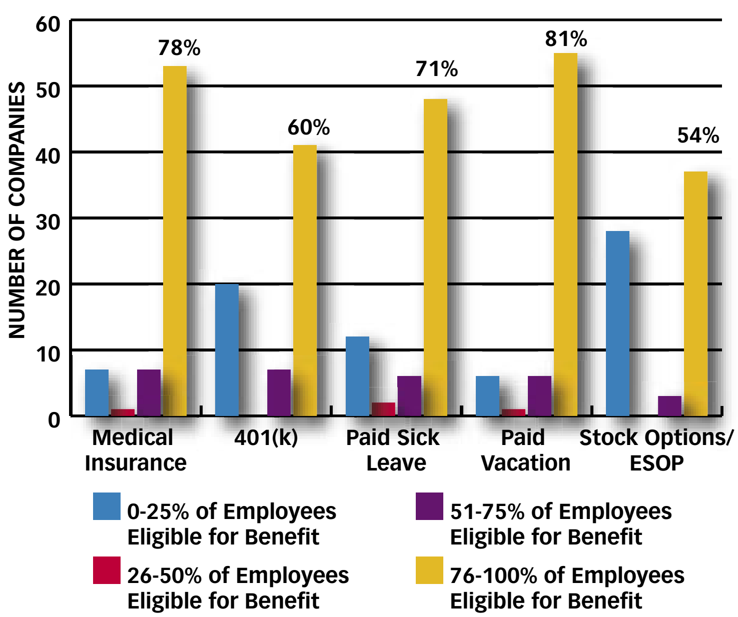
Nearly 40% of California Initiative Portfolio Company California Employees Live in Economically Disadvantaged Areas of the State



Providing Health Care and Other Benefits to Californians

Through its portfolio companies, the California Initiative is helping to provide health insurance, asset-building programs such as 401(k) plans, and paid sick and vacation leave to over 30,000 people. Most California Initiative companies are making these benefits available to more than three-quarters of their employees.

Most California Initiative Companies Offer Employees a Full Benefit Package



Benefits are an indicator of job quality, with health insurance often cited as the most important employee benefit, as it impacts both employee well-being and economic self-sufficiency. More than 40 million Americans lack health insurance. Approximately 40% of these uninsured are employed.[10] The nearly 80% of California Initiative companies that offer health insurance to more than three-quarters of their employees are helping to address this national concern.

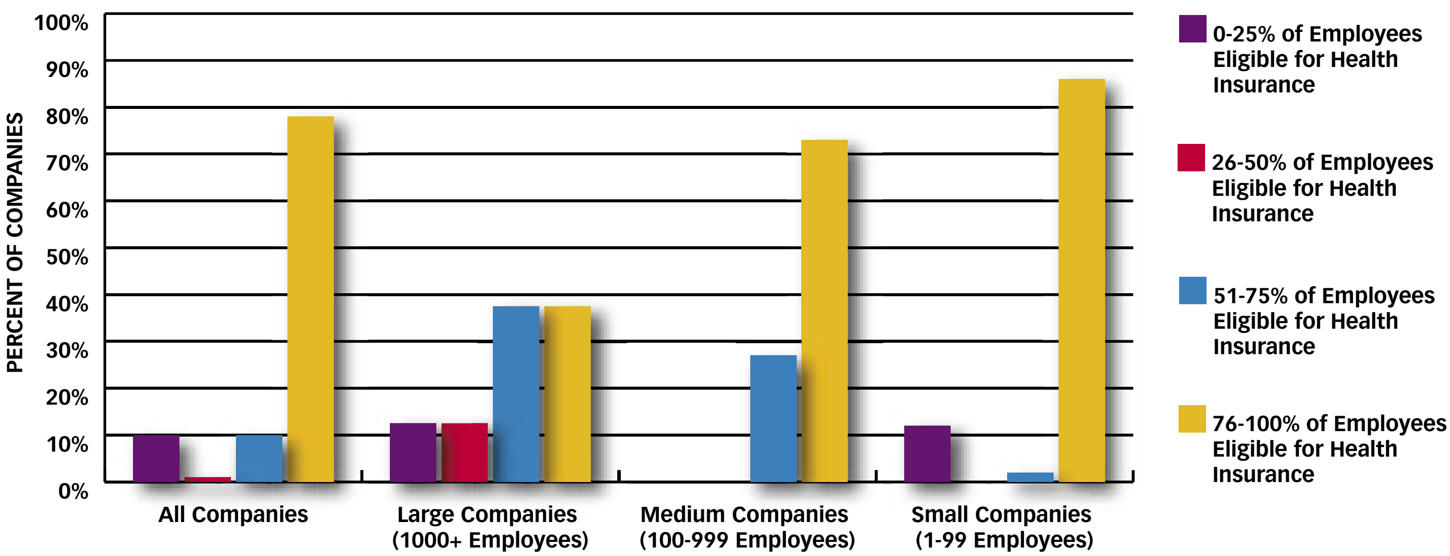
Compared to the United States as a Whole, a Larger Proportion of Small Companies in the California Initiative Offer Health Benefits to Employees

Nationwide, in 2004, only 63% of companies with three to 299 employees offered health benefits to workers.[11] Almost 90% of California Initiative companies with fewer than 100 employees offer health insurance to more than three-quarters of their workers.

Large Companies in the California Initiative Follow the National Trend on Part-Time Workers

Data on health coverage for part-time workers in the United States suggests that these part-time workers, at large and small firms alike, are much less likely to be eligible for health insurance offered by their employers.[12] California Initiative companies reflect this trend; firms where a sizeable portion of the workforce works part-time report a smaller percentage of workers eligible for health coverage. At five of the eight California Initiative companies with 1,000 or more employees, 50% of the workforce is part-time. Consequently, while all eight large companies offer health insurance to some of their employees, only three large companies—those with a small part-time workforce—offer medical coverage to more than three-quarters of their employees.

Large Companies in the California Initiative Offer Health Insurance to a Smaller Proportion of Their Employees



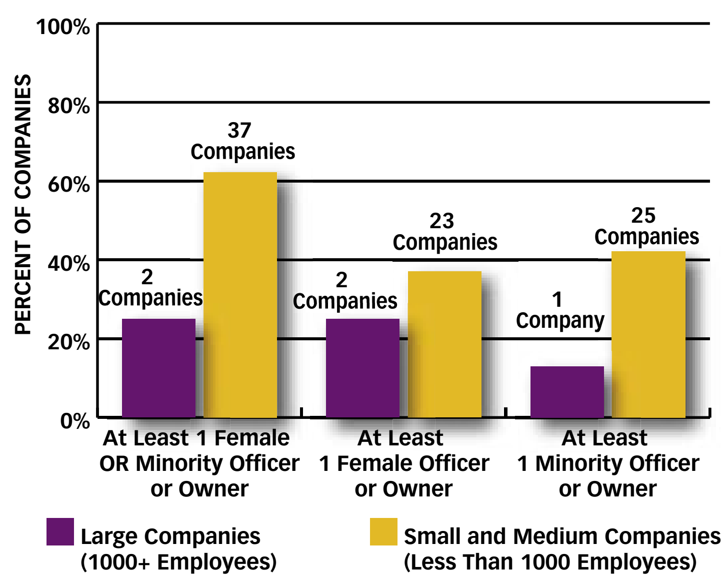
Supporting Women and Minority Entrepreneurs and Managers

Nearly 60% of all California Initiative companies have at least one female or minority corporate officer or owner.** More than one-third of companies have at least one female officer or owner, while 40% have at least one minority officer or owner.

Smaller Companies Lead the Way in Management Diversity

Within the California Initiative, smaller companies (by number of employees) have greater gender and ethnic diversity among officers and managers than larger companies. One-quarter of companies with 1,000 or more employees have at least one female or minority officer or owner while nearly two-thirds of companies with fewer than 1,000 employees have at least one female or minority officer or owner.

Smaller Companies Have Greater Gender and Ethnic Diversity Among Officers Than Larger Companies



** Officers include CEO, COO, CFO and similar positions.

At small and medium-sized companies, approximately 25% of officers and other key managers are women, while at larger companies just 10% of officers and key managers are female. Similarly, minorities comprise 28% of officers and key managers at companies with fewer than 1,000 employees, but only 4% of officers and key managers at larger companies.

Across the United States, Women and Minority-Led Firms are Growing Rapidly in Number and Revenues, Creating Potential Funding Opportunities that Meet California Initiative Objectives

The number of women and minority business owners in the United States—and the revenues of their firms—are growing rapidly. Between 1992 and 1997, the number of women-owned businesses grew by 16% and revenues from those businesses increased by 33%. In comparison, the number of all US firms grew at a rate of 6%, with revenues increasing by 24% during that time. By 2000, American women owned roughly nine million businesses, over one million of which were located in California.[13] During this period of rapid growth in businesses owned by women, only a small percentage of venture capital financing went to women-owned businesses. In 1997, 2.5% of companies receiving venture capital investment were led by women. By 2001, the proportion of deals going to firms run by women increased to 5%.[14]

Minority-led firms tell much the same story, with companies owned by minority and Hispanic entrepreneurs accounting for 12% and 7%, respectively, of all firms in the United States in 2002.[15] The number of Hispanic and African-American-owned firms grew by over 25% between 1992 and 1997. These minority-led firms are estimated to have received between 2% and 5% of venture capital dollars invested during the same period.[16] The rapid growth of women and minority-led firms, combined with the small proportion of venture capital going to these firms, suggests that opportunities may exist not only to fill a funding gap, but also to invest in strong, growing businesses—potential opportunities for the California Initiative to continue making progress toward both its financial and non-financial goals.

Concluding Comments

The California Initiative Provides Jobs and Economic Stimulus to Underserved Geographies and Populations in the State

The CalPERS California Initiative Program is advancing the California economy and improving the lives of Californians by creating jobs and expanding economic opportunities in underserved markets. The overwhelming majority of California Initiative investments are in companies located in areas of California and the United States that have traditionally had limited access to institutional equity capital. Historically, these areas have not benefited as much as other areas from job creation, new business formation and other forms of development that institutional equity capital dollars often bring.

The California Initiative is also helping lower-income Californians to improve their economic circumstances by investing in companies that hire residents of disadvantaged areas of the state. Finally, through its investments in companies led by women and minorities, the California Initiative is helping these groups secure and expand their foothold in the California economy.

As of June 30, 2005, the California Initiative had committed capital to nine private equity funds which had active investments in 83 companies as well as to one fund-of-funds that invests in private equity funds that also focus on underserved markets. California Initiative portfolio companies reflect a broad spectrum of businesses, ranging from start-ups with a handful of employees to large companies with several thousand employees. Nearly all of these businesses are contributing to the California Initiative's objective to positively impact traditionally underserved markets. The program's impact on California demonstrates that CalPERS' efforts to achieve ancillary benefits while simultaneously investing in a wide-ranging portfolio of businesses for strong financial performance have been successful. By continuing its efforts to focus on California, review investment opportunities in non-traditional areas, and to identify and consider businesses that are led by women and minorities, the CalPERS California Initiative can continue to have a positive impact on California and its residents, while simultaneously seeking strong financial performance.

The California Initiative Capitalizes a Fund-of-Funds to Further Its Objective

In addition to investing in nine private equity funds, the California Initiative, working with Banc of America Capital Access Funds, has invested in a fund-of-funds, Banc of America California Community Venture Fund (BACCVF). As of June 30, 2005, BACCVF had invested in eight private equity funds, with two additional funds approved for investment, but not yet funded.

BACCVF FUNDS ARE DESIGNED TO MEET CALIFORNIA INITIATIVE OBJECTIVES

All ten of the funds receiving commitments from BACCVF contribute to meeting the California Initiative's objectives in at least one respect. Of the ten funds, seven, accounting for more than two-thirds of BACCVF monies invested or approved as of June 30, 2005, focus on identifying, evaluating and investing in ethnic minority opportunities. Two of these seven funds focus explicitly on Hispanic-themed opportunities.

Further, five of the BACCVF funds concentrate on opportunities located in or employing people from low-to-moderate income areas of California and the nation. These funds account for nearly one-quarter of invested capital as of June 30, 2005. Finally, two of the funds are working directly to improve access to capital, helping to capitalize financial institutions that provide banking services to low income and/or ethnic minority consumers.

Additionally, BACCVF's portfolio funds are themselves furthering the California Initiative's diversity goals. Eight of the ten funds have at least one female or ethnic minority partner.

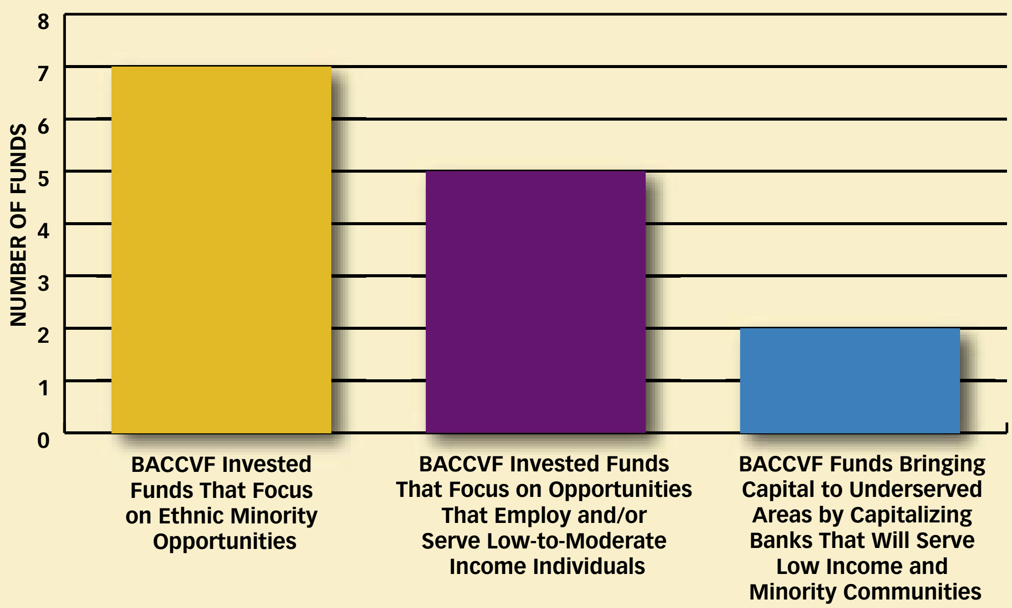
BACCVF funds are making considerable efforts to invest in California. Of the ten BACCVF funds, eight have offices in California. These eight funds with a California presence account for over 80% of capital committed by BACCVF to date. The remaining two funds are projected to have a strong pipeline of California opportunities, based on their networks and investing histories.

BACCVF AND THE FUTURE–MORE FUNDS AND MORE PORTFOLIO BUSINESSES SERVING TRADITIONALLY UNDERSERVED COMMUNITIES

Ultimately, BACCVF plans to invest in a total of thirteen to fifteen funds. BACCVF invests in funds that focus on identifying, evaluating and financing businesses that employ or serve minority or low income populations and geographies. In the aggregate, these funds are expected to invest in a total of over 100 portfolio businesses and to make a significant non-financial impact in California and around the nation.

Note: As of June 30, 2005, BACCVF had invested in eight funds and had approval to invest in two additional funds, for a total of ten funds. The total number of funds reflected in this chart exceeds ten because some funds focus on both minority and low income opportunities.

Banc of America California Community Venture Fund (BACCVF) is Investing in Funds That Support California Initiative Objectives



Notes

1 CalPERS Investment Committee Agenda Item 5a, May 14, 2001.

2 See California Budget Project Budget Brief, September 2005, page 2, available at www.cbp.com.

3 See "Employer Health Benefits—2004 Summary of Findings," by the Kaiser Family Foundation and the Health Research and Educational Trust, available at www.kff.org, document # 7149.

4 Pacific Community Ventures (PCV), a 501(c)3 nonprofit organization, provides free business advisory services to small businesses located in or hiring residents of economically disadvantaged areas of California, and provides consulting services to evaluate the non-financial impacts of private equity investments. PCV's affiliate, Pacific Community Ventures Investment Partners II (PCV LLC II) is a private equity fund in which CalPERS has invested California Initiative capital. PCV is the managing member of PCV LLC II. To ensure investor, general partner and client confidentiality, members of PCV LLC II's investment team did not participate in this project and did not have access to company or fund-specific data. Similarly, PCV staff dedicated to this project is expressly prohibited from reviewing financial data for PCV LLC II's portfolio companies and from participating in any discussions or decisions regarding the PCV LLC II portfolio. Both CalPERS and LPCA approved these confidentiality measures.

5 The following three benchmarks are used in this report:

1. Providing capital to areas of the state and nation that have historically had limited access to institutional equity capital

   For the purposes of this report, investments made outside of the 100 postal codes that received the most venture capital investment between 2000 and 2005 are considered made in areas that have historically had limited access to institutional equity capital. Over 30% of all venture capital investment made globally between 2000 and mid-2005 was concentrated in these 100 postal code geographies. Twelve of these postal codes, accounting for approximately 2% of all venture capital investment made, are located outside the United States. Thirty-five of these postal codes, accounting for 12% of all venture capital investment made, are located in California, primarily in the San Francisco Bay area, and San Diego and Orange counties.

2. Creating jobs for workers living in economically disadvantaged areas

   For the purposes of this report, companies where at least 25% of employees who reside in California reside in a zip code designated economically disadvantaged are considered to have met this criteria. Zip codes have been designated economically disadvantaged if at least 44% of the estimated population lives in census tracts where one or more of the following conditions holds:

   a. For census tracts within metropolitan areas, the median income of the census tract is at or below 80% of the metropolitan statistical area median. For census tracts outside of metropolitan areas, the median income of the census tract is at or below 80% of the statewide, non-metropolitan area median income.

   b. At least 20% of the population lives in poverty.

   c. The unemployment rate is at least 1.5 times the national average.

   According to the 2000 US Census, 44% of Californians live in census tracts where at least one of the above conditions holds.

3. Supporting women and minority entrepreneurs and managers

   At least one company officer is female or ethnic/racial minority.

6 See Regional Studies special issue on entrepreneurship and economic development, November 2004. Specifically, see Zoltan J. Acs and David Storey, "Introduction: Entrepreneurship and Economic Development," pages 871-877, and Zoltan J. Acs and Catherine Armington, "Employment Growth and Entrepreneurial Activity in Cities," pages 911-927.

7 See California Budget Project Budget Brief, September 2005, page 2, available at www.cbp.com.

8 See the Bureau of Labor Statistics publication "The Employment Situation" for June 2001 and June 2005. http://www.bls.gov/schedule/archives/empsit_nr.htm

9 Steven Levy, Director, Center for Continuing Study of the California Economy, from "California Economy," Forum with Michael Krasny, KQED radio, September 27, 2005. See http://www.kqed.org/programs/program-landing.jsp?progID=RD19. Also see www.ccsce.com.

10 See "Medicaid and the Uninsured," the Kaiser Family Foundation, available at www.kff.org/kcmu, document # 7117. Also see "Facts on Health Insurance Coverage," the National Coalition on Health Care, available at www.nchc.org/facts/coverage.shtml.

11 See "Employer Health Benefits—2004 Summary of Findings," by the Kaiser Family Foundation and the Health Research and Educational Trust, available at www.kff.org, document # 7149.

12 See "Employer Policies Create Barriers to Health Insurance Coverage," The Commonwealth Fund, available at www.cmwf.org/newsroom/newsroom_show.htm?doc_id=223604.

13 For data on women-owned businesses in California, see www.nawbo-ca.org/PDF/california2004.pdf

14 See "The Diana Project—Women Business Owners and Equity Capital: The Myths Dispelled," Kauffman Center for Entrepreneurial Leadership, US Small Business Administration, National Women's Business Council, 2001. Available at www.entreworld.org.

15 See www.census.gov/csd/sbo/state/st00.htm

16 See The Wall Street Journal Center for Entrepreneurs at www.startupjournal.com.

CALPERS CALIFORNIA INITIATIVE INVESTMENT PARTNERS

PARTNER	INVESTMENT FOCUS
American River Ventures www.arventures.com	Venture capital in North Bay, Sacramento and Central California
DFJ Frontier www.dfjfrontier.com	Venture capital in the Central Coast, Central Valley, Sacramento and other underserved areas of California
Nogales Investors www.nogalesinvestors.com	Growth/expansion investment opportunities
Garage Technology Ventures www.garage.com	Seed capital to start-ups
Leonard Green & Partners www.leonardgreen.com	Buyout/expansion opportunities in consumer services
Opportunity Capital Partners www.ocpcapital.com	Expansion/buyout opportunities in middle markets
Pacific Community Ventures www.pacificcommunityventures.org	Venture capital in economically underserved areas of California
Provender Capital www.provender-capital.com	Urban-oriented, under-sponsored opportunities
Yucaipa Companies	Corporate partnerships to relocate or expand operations in underserved areas.
Banc of America Capital Access Fund www.bacapitalaccessfunds.com	Fund-of-funds targeting funds focused on underserved markets