

FOR IMMEDIATE RELEASE

October 23, 2003

Contact: Ann Moe, President, Rigel Capital, LLC 206 467 5000

**RIGEL SELECTED TO PARTICIPATE IN CALPERS'
MANAGER DEVELOPMENT PROGRAM**

SEATTLE – Strategic Investment Group (Strategic) and the California Public Employees' Retirement System (CalPERS) announced today that they have selected Rigel Capital, LLC (Rigel) to participate in the CalPERS Manager Development Program. Rigel is the fifth investment manager selected by Strategic and CalPERS since the inception of the Program in 2000.

The Manager Development Program, managed for CalPERS in part by Strategic, provides both investment assets and equity capital to emerging investment firms in exchange for a minority ownership interest in the participating firms. Rigel will manage \$150 million in two U.S. equity strategies: a Large Cap Growth Strategy and a Small-Mid Cap Growth Strategy. CalPERS and Strategic will also make an equity investment in the firm.

“We're delighted to be chosen by CalPERS and Strategic and look forward to working with such knowledgeable and respected institutional investors,” said George Kauffman, Rigel chief executive officer and chief investment officer. “We firmly believe that these new relationships will greatly benefit us as we continue building a world-class firm and we do what we love – taking good care of our clients' money. I have never enjoyed this business more than I do today.”

Firms are selected for participation in the Manager Development Program based on a screening process that seeks to identify investment managers with a well-articulated investment philosophy and process, professional and personal integrity, strong business and management leadership, a strong and verifiable performance history and the potential to attract new institutional clients.

“There is untapped talent in the money management arena that could benefit CalPERS investment portfolio,” said Mark Anson, CalPERS Chief Investment Officer. “With CalPERS assets and capital, we can realize superior returns as firms like Rigel grow and mature, and become significant players in the institutional marketplace.”

“The partnership with Rigel provides a timely opportunity for the Manager Development Program, both as an investor in the business and as a client,” said Hilda Ochoa-Brillembourg, President of Strategic Investment Group. “We believe that the environment is right for prudently priced growth strategies, and Rigel combines a disciplined investment process implemented by highly seasoned investment professionals with an entrepreneurial zeal for client service and business development.”

Seattle-based Rigel Capital, LLC, founded in 1998, has approximately \$300 million in assets under management. The firm believes that successful investing is achieved through an approach that is growth-oriented, research-driven and risk-averse. Its mission is to meet and exceed its clients’ expectations by outperforming in up markets and better preserving capital in down markets. For more information about Rigel, please visit www.rigelcap.com.

CalPERS is the nation’s largest public fund with assets totaling approximately \$146 billion. The System provides retirement and health benefits to more than 1.4 million state and local public employees and their families. For further information about CalPERS, please visit the System’s website at www.calpers.ca.gov.

Strategic Investment Group, based in Arlington, Virginia, is a pioneer in the outsourcing of investment management services and in the incubating of investment management companies. The firm specializes in comprehensive risk management services, including customized global asset allocation and cost-effective multi-manager solutions for institutional investors, high net worth individuals and family groups. Founded in 1987, Strategic manages approximately \$7.4 billion in outsourced assets (including capital commitments) and, together with affiliates, \$27 billion in total assets. For more information about Strategic and the Manager Development Program, please visit www.2strategic.com.

Boston-based Colchester Partners LLC assisted Rigel in the transaction.