

PRESS RELEASE

LM Capital Group Announces Buyback of Minority Equity Position From CalPERS' Management Development Program

San Diego, April 14, 2011: LM Capital Group, LLC, a leading San Diego-based fixed income investment manager for institutional clients, announces the buyback of its minority equity position from Strategic Investment Group Ventures, LLC (SIGV), a joint venture between the State of California Public Employees' Retirement System (CalPERS) and Strategic Investment Group. The transaction closes a successful nine year relationship.

The buyback involved a 35 percent minority equity interest held by SIGV since April, 2002 when LM Capital Group was selected to participate in the CalPERS' Management Development Program (MDP). The CalPERS' Board of Administration established the program in 1999 with the aim of achieving superior investment returns while helping emerging investment firms establish institutional credibility and achieve the critical mass required for sustained profitability. LM Capital Group's assets under management have grown from \$487 million in April, 2002 to \$4.7 billion as of March, 2011; a tribute to the program's success.

"We are proud of the relationship that we have enjoyed with LM Capital over the past nine years," says Hilda Ochoa-Brillembourg, Founding Partner, President and CEO of Strategic Investment Group. "Our partnership with LM Capital has been a mutual success. While we look forward to a continuing association with LM Capital, 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."

Luis Maizel, Senior Managing Director for LM Capital Group, LLC said, "The MDP program expanded the opportunity set for LM Capital Group in the institutional marketplace, enhanced our credibility and allowed us to provide superior fixed income solutions and performance to our clients. With the continued support of our clients, we look forward to our future growth, including new relationships and new fixed income strategies."

Colchester Partners advised LM Capital Group on this transaction, which was financed by US Bank. As a result of the transaction, LM Capital Group, LLC is now 100 percent employee owned, and remains a minority (Hispanic) owned firm.

CalPERS will continue as a client with \$249 million in assets under management as of March 31, 2011.

About LM Capital Group, LLC: LM Capital Group, LLC was founded in 1989 by Luis Maizel and John Chalker to provide fixed income investment services to the institutional investor. By utilizing a top down, macro-economic, fundamental investment approach to assemble fixed-income portfolios, LM Capital Group has been successful in providing clients with the most attractive investment opportunities available. The firm is a 100 percent employee owned minority business (Hispanic), employed by public agencies, corporations and foundations nationwide. LM Capital Group manages \$4.7 billion in six fixed income strategies: Short Term, Intermediate, Active Core, Opportunistic Core (Core Plus), Total Return and Emerging Market Debt. For more information on LM Capital Group, please contact Richard Deary, Director – Business Development, at 619.814.1401, or visit the LM Capital Group website at www.lmcapital.com.