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Wood to Exit Calpers For Capital Z Asset

By Craig Karmin

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One of the most powerful investors in the pension-fund world is leaving to invest in hedge funds.

Christianna Wood, who as senior investment officer for the California Public Employees' Retirement System oversees \$150 billion of stock investments, is leaving next month. She will become chief executive officer at Capital Z Asset Management, which invests seed capital in new hedge funds.

"Capital Z is at the cutting edge of the most creative element of the investment industry," Ms. Wood said. "Who wouldn't want to be there?"

Eric Baggesen, a Calpers senior portfolio manager, will take over as acting senior investment officer. A spokesman said it may be a few more months before a successor is named.

Under Ms. Wood's leadership since 2002, Calpers expanded the way the U.S.'s largest public pension fund by assets has invested in the stock market. The fund increased its activity in small U.S. stocks, foreign companies and emerging markets. During her tenure, the fund also stepped up its shareholder activism, including pushing public companies to disclose more about how their businesses impacted the environment.

Ms. Wood's departure comes at a time when Calpers is examining ways to improve the performance of its external fund managers.

Capital Z Asset Management was formed last week when the financial firm Capital Z Investment Partners announced a management buyout of its hedge-fund sponsorship business in partnership with the private-equity firm Paine & Partners LLC.