

InvestorForce Study Reveals Findings on Actual Post-Negotiated Institutional Investment Management Fees

Study Shows Large Fee Dispersions within Investment Styles, Little to No Correlation between Performance and Fees

Conshohocken, PA – June 26, 2013 – InvestorForce, part of [MSCI](#) Inc. (NYSE: MSCI), announced today that it has released the first in a series of whitepapers, **Institutional Investment Management Fees: Findings Regarding Dispersion and Correlation with Performance**. The paper provides unprecedented insight into actual post-negotiated management fees for institutional investment products.

Jim Morrissey, CEO of InvestorForce, said, “Two important findings emerge from this paper. First, contrary to the popular view that asset managers charge close to the same fees for a given investment style and mandate size, the results find significant differences in actual post-negotiated management fees, even within the same market segment. Second, contrary to the perception that managers with stronger performance command higher fees, the data shows little or no correlation between performance and actual post-negotiated management fees.”

Data for this whitepaper was sourced from InvestorForce’s Manager Fee Tracker, an online analytics platform that provides institutional investors, consultants and asset managers with access to over 34,000 observations of actual “post-negotiated” management fees across 31 investment styles along with a range of mandate sizes and plan types. While individual manager fees are never disclosed, Manager Fee Tracker users can calculate fee universes and distribution metrics to provide an unprecedented level of fee transparency.

Dan Kelly, Chief Operating Officer of NEPC, one of the world’s leading independent consultants, said, “InvestorForce’s Manager Fee Tracker and this white paper are helping bring much-needed institutional asset management fee transparency to NEPC and its clients. Providing greater transparency into asset management fees is an important component of NEPC’s offering to our clients. This analysis – backed by a significant volume of actual management fee observations – will help us assess the appropriateness of the asset management fees paid by our clients.”

Future white papers will examine the relationship between fees and risk, tracking error, portfolio concentration and other key institutional investment metrics.

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About InvestorForce

InvestorForce is the premier provider of performance reporting solutions to the institutional investment community, providing investment consultants with an integrated solution for daily monitoring, analysis and reporting on institutional assets. InvestorForce’s technology leverages automated data collection to provide institutional investment consultants and their institutional investor clients with greater operational efficiencies and real-time insight, transparency and deeper analysis into investment portfolios. The InvestorForce platform is used by institutional investment consultants to report on over \$3.5 trillion of assets for over 3,500 institutional plans. In 2013, InvestorForce was acquired by MSCI Inc.

For more information on InvestorForce, please visit www.investorforce.com

About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices with close to USD 7 trillion estimated to be benchmarked to them on a worldwide basis¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indices and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS governance research and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

¹As of September 30, 2012, as published by eVestment, Lipper and Bloomberg on January 31, 2013

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