

For Immediate Release

**QUOTIENT INVESTORS DEVELOPS A FULLY INTEGRATED
ESG SOLUTION FOR INSTITUTIONAL INVESTORS**

New York, NY - February 2, 2010 - Quotient Investors, an institutional equity management specialist, announced today that it has launched a new equity strategy that provides significant exposure to Environmental, Social and Governance (ESG) factors and seeks to deliver alpha versus traditional public equity benchmarks. The strategy, which is called Quotient Sustainable Alpha, received an allocation this past December and went live on January 1.

The new strategy helps meet a need from institutional plan sponsors who wish to have exposure to ESG characteristics while maintaining fiduciary responsibility to plan beneficiaries. "We've met several investors who wanted to have ESG exposure but were skeptical of the returns from passive ESG benchmarks or simplistic negative screening" said Andre Bertolotti, CIO at Quotient Investors. "This strategy targets alpha while managing risk versus a large cap equity benchmark such as the Russell 1000, and provides substantial exposure to ESG."

"Quotient's ability to manage a specialized ESG strategy is a testament to the robustness of their investment process in transferring their alpha-generating methodology to a customized market segment," added Deb Boedicker, Principal of Strategic Investment Group, which serves as an adviser to the CalPERS Manager Development Program II in which Quotient Investors is a participant.

The key to the strategy stemmed from a year-long research effort exploring the relationship between company stock prices and ESG exposure. Prior research studied this relationship across the broader market, but Quotient Investors focused at the sector and industry level, providing unique insight into how investors value ESG characteristics. "We found that the relationship between ESG rankings and stock price return varied by sector and industry. For example there is a strong positive relationship between ESG rank and stock price return in the consumer cyclical sector, while the energy sector shows no such relationship," observed Mr. Bertolotti. Quotient Investors combines the ESG ranks for companies with its own proprietary intra-industry valuation model to arrive at a fully integrated rank for each stock.

"There are many institutional investors that have become signatories to the United Nation's Principles for Responsible Investing and are taking active steps to apply ESG

considerations across asset classes," said Julia Peter-Kerr, Quotient Investors head of Client Service and Sales. "While working with a number of clients, prospects and consultants, we realized that there were not many fully integrated ESG offerings that seek to deliver both exposure to ESG and alpha versus traditional plan benchmarks." Ms. Peter-Kerr added that socially responsible mutual funds or benchmarks may not be a good fit for institutions, since their risk and return profiles can differ from the standard broad market indices.

Quotient Research - Actively Managed ESG Equity Strategies

Quotient Investors has developed a novel approach for an actively managed ESG equity strategy that starts with defining a target level for ESG exposure and then fully integrates ESG characteristics into the investment process. The outcome is a portfolio that seeks to deliver alpha with risk control versus a broad market index while providing the desired exposure to ESG characteristics.

For more information, please see [Quotient Research - Actively Managed ESG Equity Strategies](#).

About Quotient Investors

Quotient Investors, an SEC registered investment advisor, was launched in March 2008 as part of the CalPERS Manager Development Program II. Quotient is a boutique manager offering multiple US Equity strategies including large cap, small cap, value, and growth. The firm utilizes a disciplined fundamental investment approach with systematic risk control to deliver superior risk-adjusted returns. Quotient is recognized for its proprietary intra-industry investment process which seeks to identify the price drivers that are unique to each industry. Quotient is committed to delivering innovative research, a disciplined investment process, sophisticated algorithmic trading and strong information ratios, together with personalized client service.

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